

# Exhibit BB

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :  
:  
v. :  
:  
USAO No. 23 Cr. 307  
:  
SHVARTSMAN et al., :  
:  
:  
-----X

Recorded Conversation

Date: March 15, 2023  
Time:  
Session ID:  
Participants: CS  
Michael Shvartsman  
John Iveson  
Michael Park  
Eric Hannelius

(U/I) - UNINTELLIGIBLE  
(PH) - PHONETIC SPELLING

1 CS: The time is 1042 hours, that's 10:42 a.m. on  
2 Wednesday, the 15th of March 2023.  
3 Currently in Aventura where I'm going to, to  
4 attend a meeting with Michael Shvartsman and  
5 I believe Michael Park. It's at their  
6 offices, which is 21550 Biscayne Boulevard,  
7 Suite 400, Aventura with a post code or zip  
8 code of 33180. And the objective of the  
9 meeting is to discuss -- is to execute a  
10 trust agreement that has been put in place,  
11 and discourse and strategy regarding the  
12 decanting of assets from the current  
13 situation, which I believe are held in  
14 entities in the U.S. Virgin Islands, and  
15 from my meeting with Michael Shvartsman back  
16 in December, I believe he wants to decant  
17 them and move them to Belize. I'm going to  
18 leave the device running. This is for the  
19 purpose of the secondary device that I've  
20 got. The time is now 1044 hours, that's  
21 10:44 a.m., Wednesday the 15th of March.  
22 I'm just about to attend the offices of  
23 Michael Shvartsman and Mike Park, he's a  
24 U.S. Attorney, in order to execute new trust  
25 agreements and discuss the decanting of

1 assets held in -- entities in the U.S.

2 Virgin Islands. Also in attendance at the

3 meeting will be John Iveson.

4 [BACKGROUND NOISE/NON-TARGET CONVERSATION]

5 CS: Hi Michael. Good to see you. Are you well?

6 Good, thank you.

7 SHVARTSMAN: How you doing?

8 CS: Good, Michael. Nice to meet you in person.

9 SHVARTSMAN: Can I get you guys more coffee?

10 CS: Do you have a water?

11 SHVARTSMAN: We have whatever you want.

12 CS: A water would be good for me. Thanks. And

13 could you steer me -- is there a bathroom?

14 SHVARTSMAN: You want a bathroom?

15 CS: Bathroom, yeah, please. Cheers.

16 SHVARTSMAN: So, the bathroom is right over there.

17 CS: Oh.

18 SHVARTSMAN: You can use the blue thing.

19 CS: Okay.

20 SHVARTSMAN: And then when you come back, just come over

21 here.

22 CS: Okay. Cheers.

23 [BACKGROUND NOISE]

24 CS: Thanks, Michael.

25 SHVARTSMAN: You name it.

1 IVESON: You're one of those guys. You know  
2 everybody.  
3 SHVARTSMAN: Well, I know some people. Are you drinking  
4 water?  
5 CS: Yes, please.  
6 SHVARTSMAN: We've got different like soda waters. Is  
7 there a flavor that you want?  
8 BEN: I'm Ben.  
9 CS: Good to meet you. Steve.  
10 BEN: Steve, nice to meet you.  
11 CS: Actually, I'll have a soda water.  
12 SHVARTSMAN: Is there a flavor you want?  
13 CS: I'll go for the lemon, yeah, please.  
14 SHVARTSMAN: (U/I) lime.  
15 CS: Cheers.  
16 SHVARTSMAN: There are three (U/I) for him.  
17 IVESON: Yeah. If you were on the canvas (U/I)  
18 because I'm sure he has clients in the  
19 United States.  
20 SHVARTSMAN: A few.  
21 [BACKGROUND NOISE]  
22 IVESON: Oh, you are. Okay.  
23 [OVERLAPPING VOICES]  
24 SHVARTSMAN: I mean, that's why you asked.  
25 IVESON: That's very raw. I get it now.

1 SHVARTSMAN: Yeah. Maybe you're (U/I)

2 IVESON: No. I'm a lawyer working in the space of we

3 do -- I work with international trust

4 companies, banks, you know, basically (U/I)

5 services. You know, it's the same issue

6 that everybody faces here, which is trying

7 to get that liquidity into the, you know,

8 into the global monetary system.

9 SHVARTSMAN: Yes.

10 IVESON: Yeah.

11 SHVARTSMAN: All right, guys. Let's roll.

12 BEN: Nice to meet you.

13 SHVARTSMAN: Nice to meet you.

14 CS: Good to meet you, Ben. Take care. Cheers.

15 [BACKGROUND NOISE]

16 IVESON: We were going to ask if you guys had a

17 whiteboard. I'm sorry --

18 CS: He's rather full --

19 IVESON: I've learned not to touch, and that's okay

20 because I came prepared.

21 SHVARTSMAN: All right. You ready for this? Makes it

22 own whiteboard.

23 IVESON: Okay. Awesome.

24 CS: Yeah. Telescopic.

25 [BACKGROUND NOISE]

1 SHVARTSMAN: So, you know. We've spoken, you know,  
2 opening a bank account, that kind of stuff  
3 is difficult. Right?

4 IVESON: Yeah.

5 SHVARTSMAN: (U/I) individual things that (U/I). Do you  
6 have any Russian clients or any problems  
7 with (U/I)?

8 CS: I've had Russian clients on and off over the  
9 years. And he's noticed other clients are  
10 having issues, lots of people do. Funny  
11 enough, my phone has never stopped ringing  
12 over the last two or three weeks, and the  
13 way things are escalating, everybody's  
14 getting deeply, deeply concerned.

15 SHVARTSMAN: Great.

16 CS: So, I think --

17 SHVARTSMAN: If you got problems, I got solutions. I'm  
18 serious.

19 IVESON: Yeah?

20 SHVARTSMAN: So, a good friend of mine owns a bank in  
21 Dominica. And he got the regulators in  
22 Dominica to give him a green light on  
23 banking Russian individuals. So, you know,  
24 for Russian individuals, and even some  
25 Ukrainian individuals, even though

1 Ukrainians are, you know, having sanction  
2 issues, is (U/I). So, he can bank them,  
3 they can transact in, you know, U.S.  
4 Dollars, Euros, Pounds. He issued cards to  
5 them so they can, you know, make purchases  
6 and that kind of stuff.

7 CS: Yeah.

8 SHVARTSMAN: So, the regulator gave them a green light.  
9 So, you know, if you guys are looking for  
10 that type of solution, then we can --

11 IVESON: Yeah, absolutely. You had mentioned --

12 CS: Yeah, you did mention it before, actually,  
13 Michael. It's defendant -- that could be  
14 very interesting.

15 IVESON: Yeah, it would be good to know. You know,  
16 just to be honest, Mike, this isn't going to  
17 last. I mean, I've worked in this space for  
18 20 plus, and I've seen everything. I've  
19 seen sanctions come and go. I've seen, you  
20 know, due to the politics, (U/I), you know,  
21 all the challenges that affect us in an  
22 offshore space. And the problem right now  
23 is that what's going on with the Ukrainian  
24 situation, it's not getting any better in  
25 the near term. Now, I don't expect it to



1 last forever. And at some point it will  
2 revert back to the norm.

3 SHVARTSMAN: Sure.

4 IVESON: But for now, the risk that we see for our  
5 clients, especially Russian nationals, is  
6 that the west is just going to continue to  
7 ramp up the pressure on these Caribbean  
8 jurisdictions. They're already applying  
9 pressure on the Eastern Caribbean Central  
10 Bank to get their member countries in line.  
11 And so, right now, we have a bit of a  
12 loophole in that jurisdictions like  
13 Dominica, while they will enforce the  
14 specially designated nationals list, they  
15 will not enforce the general prohibition on  
16 the provision of services to Russian  
17 nationals, or Russian residents.

18 SHVARTSMAN: Yeah.

19 IVESON: But I, the way I do my business, the way,  
20 you know, the effect that we have in our  
21 organization, we don't expect it, that  
22 loophole to last throughout the summer. I  
23 wouldn't be surprised if the -- in the next  
24 few months, the pressure is brought to bear  
25 to close that down in some of these other

1 jurisdictions. And so, what that just means  
2 for us is it's a window. You know, we have  
3 an opportunity to do some planning, to try  
4 and just get everything in place, so that  
5 we're not reliant on these small  
6 jurisdictions where, yeah, at the drop of a  
7 hat, you know, they're notifying you that  
8 funds have been blocked. Because that's  
9 what happens when they step in and they say  
10 okay, Dominica, you can no longer provide  
11 this service. The funds aren't taken,  
12 they're not confiscated, they're just  
13 blocked and then you're sitting there  
14 waiting to get your money for however many  
15 years. And a lot of people don't know when  
16 your funds get blocked, you don't get the  
17 interest on those funds. The interest goes  
18 to the institution that holds the funds.  
19 So, your funds, you know, the banker, he  
20 stands to do quite well, actually, if they  
21 ramp up sanctions.

22 SHVARTSMAN: Yeah, I mean only as a green light for non-  
23 sanctioned individuals, obviously.

24 IVESON: Yeah, yeah. Right.

25 CS: Yeah.

1 IVESON: You're not on the (U/I) list. Yeah.

2 SHVARTSMAN: (U/I) non-sanctioned individuals. Listen, I  
3 think that the positive news is my friend  
4 owns the bank. We do a lot of business  
5 together. He's a very good friend of mine.  
6 So, if -- and he's very good friends with  
7 the regulators there. So, if something was  
8 coming down the pike, we would know in  
9 advance.

10 IVESON: Yeah.

11 SHVARTSMAN: And we would make sure that money was moved  
12 before that happened.

13 IVESON: Yeah, but to answer your question, we would  
14 very much appreciate the introduction  
15 because it would offer some outlet for some  
16 clients for the time being. But to be  
17 honest, most of our clients, especially in  
18 your net worth range, they're not reliant on  
19 that at all. They're several steps ahead.  
20 And you know, I'm sure we'll touch on some  
21 of those things.

22 CS: And I'm sure there's something we can  
23 definitely do there.

24 SHVARTSMAN: Yeah.

25 CS: And an introduction would be very welcome.

1 IVESON: Yeah. How would you like to coordinate that  
2 introduction?

3 SHVARTSMAN: I'm the introduction. If you need it, I can  
4 -- do you have a client, all right, reach  
5 out to me, and I'll set it up.

6 IVESON: Okay. Will do.

7 CS: Perfect.

8 IVESON: Thank you.

9 SHVARTSMAN: So, what do you think something like this is  
10 worth? Like how much money can we make off  
11 of this?

12 IVESON: So, there's custody which right now, there  
13 are plenty of practical solutions out there  
14 that people have access to, including the  
15 solutions that Steve provides. So,  
16 typically, you know, the fees in this range  
17 are probably, you know, you're looking at 1  
18 to 2 percent. It's way more, you know, five  
19 to ten times more if you're able to do a  
20 little bit of the work that allows you to  
21 kind of remove fingerprints, remove history,  
22 you know, provide a clean record for funds.  
23 That's far more valuable.

24 SHVARTSMAN: So, a little --

25 [BACKGROUND NOISE]

1 SHVARTSMAN: -- Ukraine as an example. So, I have  
2 friends of mine in the Ukraine that have --  
3 so Ukraine has a law where you cannot send  
4 money in the Ukraine now. So, there's guys  
5 in the Ukraine sitting on a lot of cash.  
6 Most people in the Ukraine that make a lot  
7 of money actually don't put it in the bank  
8 anyways. So, there's lots of guys sitting  
9 on lots of cash. So, how -- so what -- they  
10 have a service in the Ukraine, and it's not  
11 just the Ukraine, other countries have a  
12 similar kind of service, wherein you give  
13 somebody their, I'm going use a million  
14 dollars as an example, you give somebody  
15 there a million dollars in cash. They  
16 charge you 3 percent. Somebody shows up at  
17 your door here in Miami, or New York,  
18 wherever, and they give you a million  
19 dollars in cash here. So, it's one service  
20 that --

21 CS: Like the old kitty banking, isn't it?

22 SHVARTSMAN: Yeah. Exactly. (U/I) for the bank. Right.  
23 Another service they have is they -- you  
24 give them a million dollars in cash there,  
25 and they get a company from the EU to wire

1                   you money. So, why (U/I) this. Very simple  
2                   reason. Right. Because for that company in  
3                   the EU, the owner of that business, whatever  
4                   business it is, they take a million dollars  
5                   in cash in the EU, put it in their pocket,  
6                   and then they wire out a million dollars.  
7                   And for them, for that company in the EU,  
8                   it's an expense.

9   CS:                Yep.

10  SHVARTSMAN:       They just expensed a million dollars, they  
11                   pay a million dollars less in --

12  CS:                Yeah.

13  IVESON:            Yeah.

14  CS:                Yeah, yeah, yeah. Yeah.

15  SHVARTSMAN:       They pay less. Right. So, that's, that  
16                   service that I've got nothing to do with --

17  IVESON:            Sure.

18  SHVARTSMAN:       But it's a service that exists today.  
19                   Right. So, what I'm getting to is that if  
20                   you have clients that have cash, right --

21  IVESON:            Okay.

22  SHVARTSMAN:       I can find out who these people are,  
23                   introduce them, okay. And that I think  
24                   would help in terms of getting money into  
25                   the account from --

1 [OVERLAPPING VOICES]

2 IVESON: Oh, absolutely.

3 CS: Yeah.

4 IVESON: Yeah, that would be --

5 CS: Yeah.

6 IVESON: Actually, I was talking with you the other  
7 day about a client that is in specific need  
8 for that.

9 CS: Yeah.

10 IVESON: In the Ukraine. So, we ought to talk to  
11 him. Do you have any sense of what those  
12 services might cost?

13 SHVARTSMAN: Yeah. So, they charge 3 percent.

14 IVESON: Okay. So, it is the 3 percent.

15 SHVARTSMAN: Yeah. They charge 3 percent.

16 IVESON: And that's actually pretty cheap.

17 SHVARTSMAN: I mean, like I said --

18 IVESON: Relying on me putting margin in.

19 CS: Oh, there's plenty. I was going to say  
20 there's plenty of room for margin on us.

21 IVESON: I mean, when you factor in -- I mean, I  
22 guess maybe the factoring of the tax  
23 benefits is an offset or, you know, an  
24 additional revenue angle.

25 CS: Yeah.

1 IVESON: But yeah, which -- yeah, when you think  
2 about it, you know, from a hard cost  
3 perspective, it adds up to about the same  
4 amount as what you would pay to have  
5 somebody just provide an absolutely clean  
6 record from the get go. So, yeah, that's --  
7 CS: Yeah.  
8 IVESON: -- that's on par.  
9 CS: Yeah, it is.  
10 IVESON: But with the tax -- if you don't get the tax  
11 deduction in the EU, then it doesn't work --  
12 CS: No.  
13 IVESON: Yeah.  
14 SHVARTSMAN: Yeah. So, like I said, I --  
15 IVESON: No, the tax --  
16 CS: No, that's very, very interesting.  
17 SHVARTSMAN: I'll let you guys (U/I).  
18 CS: Yeah, yeah. I'm sure we can, we can come  
19 back and do something on that.  
20 SHVARTSMAN: Sure. Yeah. Okay. I was talking to  
21 myself.  
22 CS: Okay. So, two binders, one each.  
23 SHVARTSMAN: I see.  
24 CS: The red one is for you to sign. The red  
25 markers, and the green, the green one is for



1 me, and then where the witnesses need it --

2 SHVARTSMAN: (U/I) your evidence.

3 CS: There's a yellow and a blue. So, I will  
4 start signing this if that's okay.

5 IVESON: Yeah. Go ahead and sign on yours. Who do  
6 we want to --

7 SHVARTSMAN: What date are we using on all these?  
8 Because I mean, you got basically blank date  
9 of January in all --

10 IVESON: That's right. We did -- so --

11 SHVARTSMAN: We formed the trust -- the trust was formed  
12 on the 18th.

13 CS: 18th.

14 IVESON: The private trust company, yeah. That was  
15 formed on the 18th. I have -- the ordinance  
16 requires that a trust be registered within  
17 45 days of its establishment. But I don't  
18 think that'll be an issue because the trust  
19 is a migrative trust. So, I think what we  
20 find was that -- but if it becomes an issue  
21 on the trust agreement only, we might wind  
22 through the date that we make the, you know,  
23 the new trust being effective. But I  
24 believe we'll be fine with the January 18th  
25 date. If we need to, we'll just contact,

1                   you know, we'll replace the page with the  
2                   date for the trust. Do you have the changes  
3                   we made back then, which you had seen a  
4                   final version of, was that we verified with  
5                   the regulator (U/I) for the trust, and that  
6                   was the name that was available. So, we had  
7                   gone --  
8   PARK:           I believe it's spelled incorrectly.  
9   IVESON:         Which one?  
10   PARK:          Michael S-C-H-V-A-R-T-S-M-A-N. Did you  
11                   notice that, Mike? Does it matter?  
12   IVESON:         Do you spell yours with an S.  
13   SHVARTSMAN:     It's S-H-V.  
14   IVESON:         They got a C in there.  
15   SHVARTSMAN:     We can print (U/I), John.  
16   IVESON:         I think the easiest thing is simply the --  
17   [BACKGROUND NOISE]  
18   CS:             Yeah. Initial it.  
19   IVESON:         Yeah. Just initial it. Right there.  
20   [BACKGROUND NOISE]  
21   IVESON:         You can put in January, I mean --  
22   [OVERLAPPING VOICES]  
23   [PHONE RINGING]  
24   [SHVARTSMAN ON CALL]  
25   SHVARTSMAN:     Hello. Hello. Hello.

1 [BACKGROUND NOISE]

2 IVESON: Which pages? You have some pages where your  
3 signature needs to be witnessed.

4 CS: Yeah, yeah.

5 IVESON: Okay. Mike, do you have a preference as to  
6 who you use as witnesses? There are just a  
7 few referenced. I think they're the trust  
8 documents, probably just to make sure it's  
9 enforced in Florida as well as in the (U/I).  
10 Who would you like to use?

11 PARK: I'm fine being a witness.

12 IVESON: Okay. We can witness the signatures.

13 SHVARTSMAN: So, here, I'm resigning, (U/I) I'm resigning  
14 as trustee.

15 IVESON: Yeah. You're resigning as trustee. And  
16 that's the last step of the process. Yeah.

17 SHVARTSMAN: So, I'm resigning as trustee.

18 PARK: You're becoming the protector --

19 IVESON: Of the (U/I).

20 SHVARTSMAN: And then what happens with like the assets?

21 IVESON: The assets are all being assigned into the  
22 new trust. So, the last documents are all  
23 the assignments of the various entities of  
24 your assets into the trust.

25 SHVARTSMAN: So, does that include the sub-corps, like

1 Rocket Holdings and --

2 [BACKGROUND NOISE]

3 CS: I made a little agenda for us to discuss  
4 that. The way I understand it, I think it -  
5 - was it you wanted them to be housed in the  
6 Belize LLC.

7 SHVARTSMAN: Yeah. And we'll talk about that.

8 CS: Yeah.

9 SHVARTSMAN: But that's all -- I'm just, so I'm clear  
10 here. So, we got the trust.

11 CS: Yep.

12 SHVARTSMAN: The trust actually doesn't -- where's the  
13 trust go?

14 IVESON: At this point, with those assignments, the  
15 trust will own three things. It'll be the  
16 three membership interest and those three  
17 separate U.S. Virgin Island LLC's.

18 SHVARTSMAN: Okay.

19 IVESON: Which I think you're the manager of all  
20 three of them.

21 SHVARTSMAN: I am the manager. So, the trust owns it.  
22 Right?

23 IVESON: Right.

24 SHVARTSMAN: So, you control the trust.

25 CS: You control it online. No matter -- yeah.

1 IVESON: He's the trustee, but you have the right to  
2 --  
3 CS: But ultimately the way it's structured is  
4 that you --  
5 SHVARTSMAN: Right. But if you make a decision without  
6 my approval, then what happens?  
7 IVESON: Well --  
8 CS: But -- go on.  
9 IVESON: So, right now --  
10 [OVERLAPPING VOICES]  
11 SHVARTSMAN: I'll find you too.  
12 CS: Yeah, yeah.  
13 IVESON: So, that's a -- that's the exact correct  
14 question you should be asking, and that's  
15 why I think --  
16 CS: Yeah.  
17 IVESON: -- we will want to talk more detail here  
18 today.  
19 CS: Yeah.  
20 IVESON: About a couple issues stemming from that.  
21 The immediate observation is that you are  
22 correct. He has the ability as the trustee  
23 to do whatever the hell he wants with any  
24 asset that he owns as the trustee. Right  
25 now, it's just those three membership

1 interests.

2 SHVARTSMAN: Yeah, well --

3 IVESON: And --

4 [BACKGROUND NOISE]

5 IVESON: They do. Which -- but because you are the  
6 manager of those three LLC's, technically,  
7 he can't do anything unless you say hey, you  
8 know, want can a member of an LLC do and a  
9 manage an LLC. They would just sit around  
10 and wait for distributions.

11 SHVARTSMAN: Mike and Ethan?

12 IVESON: Yeah. And now here's the problem. From --  
13 I'm an asset protection lawyer, so for me,  
14 when I look at a structure like that,  
15 especially when it's U.S. Virgin Islands  
16 entities, I say what the hell can you  
17 protect, because everything is in U.S.  
18 Virgin Island revenues, under your direct  
19 control. If there's litigation, Steve's  
20 pretty much powerless to do anything for the  
21 same reason he's powerless to do anything  
22 with the assets absent litigation.

23 SHVARTSMAN: Yeah.

24 IVESON: So, really what we do in asset protection  
25 planning, Mike, is we drill down. We say

1                   okay, well, what's inside this Virgin  
2                   Islands, LLC. You know, cash, you've  
3                   mentioned a boat, there may be some  
4                   business. You know, bank accounts,  
5                   whatever. Each particular asset, we may  
6                   have our own recommendations to what the  
7                   ideal solution is for that particular asset.

8 SHVARTSMAN:     Yeah.

9 IVESON:           And I think it would be -- you know,  
10                   normally, someone in your position, you  
11                   wouldn't want to be sitting on three U.S.  
12                   Virgin Island LLC's for asset protection.

13 PARK:            The reason you did that, just so you  
14                   understand, just for clarity, the reason we  
15                   did that is because the settler of the  
16                   trust, MG Family Trust, the U.S. Virgin  
17                   Islands doesn't report to the U.S. -- I'm  
18                   sorry, Russian citizen.

19 IVESON:           Sure.

20 PARK:            And the U.S. Virgin Islands doesn't report  
21                   anything to Russia.

22 IVESON:           Yeah. And that's --

23 PARK:            That's why it --

24 [OVERLAPPING VOICES]

25 IVESON:           That's perfectly fine. For the other

1 jurisdictions that we will be working with,  
2 will not report to Russia either. You know,  
3 we're sensitive to those issues. But in --  
4 yeah, the reasons that he put together  
5 really were not necessarily asset protection  
6 based. But you came to me expressing an  
7 issue or some concern where an asset  
8 protection was something that you wanted to  
9 achieve. We look at what is being  
10 accomplished here right now as a  
11 steppingstone. It's just the first phase.

12 SHVARTSMAN: Yeah.

13 IVESON: We want to get this out of the United  
14 States, the immediate reach of the United  
15 States, but the second phase, which is  
16 really getting it into a Belize LLC that you  
17 and your family properly control, but  
18 doesn't have your fingerprints, you know,  
19 those are things that we will -- that we  
20 hope to talk about today with you to just  
21 start to get the conversation flowing and  
22 talk about the options --

23 SHVARTSMAN: Sounds good. I got a call, I'm just letting  
24 you know, I got a call in four minutes, and  
25 then I'm open till 1:30.



1 IVESON: Well, why don't we go ahead and --

2 [BACKGROUND NOISE]

3 CS: Yeah.

4 IVESON: Then Mike and I can do the witnesses. We'll  
5 at least get --

6 CS: And then we can make the amendments.

7 IVESON: Yeah. But you'll have time after your  
8 meeting that we can --

9 SHVARTSMAN: Yep.

10 IVESON: -- dive into those -- okay. Great.

11 SHVARTSMAN: You guys can start signing this stuff, and  
12 I'll --

13 IVESON: Sure.

14 [BACKGROUND NOISE]

15 [PHONE RINGING]

16 [SHVARTSMAN ON CALL]

17 SHVARTSMAN: Welcome to America. Hello.

18 U.K.3: Hello.

19 SHVARTSMAN: Hi, how are you?

20 U.K.3: I'm good.

21 SHVARTSMAN: Welcome back.

22 IVESON: In the address you can put business.

23 [SHVARTSMAN ON CALL]

24 SHVARTSMAN: Hey, how are you? You're welcome. Welcome  
25 home. So, what's your plan right now?

1                   Yeah. Yeah. Yep. Absolutely. Yeah, I  
2                   mean listen, here's what I think you should  
3                   do. So, I've run through your office, I got  
4                   --

5 [BACKGROUND NOISE]

6 SHVARTSMAN:     -- around 3'ish, give or take. And then --

7 [BACKGROUND NOISE]

8 SHVARTSMAN:     -- down there, and we can check it out and  
9                   see if you're in good standing there because  
10                  --

11 [BACKGROUND NOISE]

12 SHVARTSMAN:     How's that sound? Yeah, you can go there.

13 [BACKGROUND NOISE]

14 SHVARTSMAN:     Yeah. Yeah, I mean, you can (U/I) I stayed  
15                   on it the whole summer in Europe. There's  
16                   nothing wrong with it.

17 [BACKGROUND NOISE]

18 SHVARTSMAN:     Mm-hm. It's got air conditioning, it's got  
19                   power, it's got water. So, it's up to you.  
20                   Do you want to go there now, I'll give you  
21                   directions.

22 [BACKGROUND NOISE]

23 SHVARTSMAN:     -- ready for you. I'd love to but I can't,  
24                   I got a bunch of people in town, you know  
25                   come to sign contracts right now, so. We

1 got dinner (U/I). I've got a 6:30 kind of  
2 dinner meeting, and then after that --

3 [BACKGROUND NOISE]

4 SHVARTSMAN: I don't know. I'm going to give you a call  
5 back. Okay. What? Let me hit you back.  
6 Okay? Okay.

7 [CALL ENDED]

8 [BACKGROUND NOISE]

9 IVESON: Basically, this is technically, technically,  
10 it's copied, it just (U/I) that's his copy  
11 to keep.

12 [BACKGROUND NOISE]

13 SHVARTSMAN: I'm going to excuse myself now for a few  
14 minutes.

15 IVESON: Okay.

16 SHVARTSMAN: I've got a call.

17 CS: No problem.

18 SHVARTSMAN: If you guys want, you can help yourself to -  
19 -

20 [BACKGROUND NOISE]

21 CS: Thank you, thank you.

22 [SHVARTSMAN LEAVES THE ROOM]

23 IVESON: Do you have an outside practice or is it  
24 just mostly in house?

25 PARK: Just in house.

1 IVESON: Okay. So, how are the hours for you?

2 PARK: You know, probably a little better than I'm

3 used to when I was working in the firms.

4 IVESON: Yeah.

5 PARK: I'm still spending 50, 60 hours a week --

6 IVESON: Yeah. I was (U/I) seeing all the activity

7 here.

8 PARK: There's a lot going on. I have an

9 associate, we're looking to hire a couple

10 more. (U/I) somewhere else, you know.

11 IVESON: Oh, no.

12 PARK: Yeah.

13 IVESON: How is it, if you know, I was going to ask

14 you, what do you guys do for business?

15 PARK: Well, a lot of it's in payments. Michael's,

16 you know, your classic serial entrepreneur.

17 He's always giving you one thing after

18 another.

19 IVESON: Mm-hm.

20 PARK: His core business is payments. He's done a

21 lot (U/I) 20 plus years. Merchant acquiring

22 where basically you'll set a merchant up

23 with the ability to accept credit card

24 payments. All right.

25 IVESON: Yeah.

1 PARK: And link them with a bank and get them in  
2 the system so they can -- and so when he's  
3 (U/I) got a whole network of guys. They  
4 confirm people that need it.

5 [BACKGROUND NOISE]

6 IVESON: Is there like a special segment of the  
7 market or --

8 PARK: Well, he's really all over. So, we have  
9 different companies that are in different  
10 segments. Cannabis has been a big thing in  
11 the U.S.

12 IVESON: Yeah?

13 PARK: So, he's, you know, he developed a solution  
14 for doing not credit card but ATM type  
15 payments from cannabis through card  
16 payments.

17 IVESON: Oh, that's great.

18 PARK: Which, yeah, which really, you know, is a  
19 lot easier. There's a lot of competition in  
20 the market, but he's really got a good chunk  
21 of it locked down.

22 IVESON: Oh, good for him.

23 PARK: Yeah. I mean, so anything like that where  
24 you have what they call high risk, so we  
25 aren't doing any gambling, but there's, you

1 know, cruise lines, you know, long term, any  
2 type of recurring payments, all those kind  
3 of things. They're considered, you know,  
4 high risk. And then online payments because  
5 the card is not present, that's high risk.

6 CS: Yeah, yeah.

7 PARK: So, he does a lot of that, so we have  
8 businesses doing all those things, and then  
9 he has a fetish for super yachts.

10 IVESON: Mm-hm, yeah.

11 PARK: Yeah. He's got one in the Caribbean now. I  
12 think, well, I think it's back here in port  
13 for right now. He's got a second one that  
14 he just acquired that is going through a  
15 refit in Turkey. And then he just bought a  
16 170 foot hull, but it's about -- the hull's  
17 been laid up but it hasn't been finished at  
18 all. So, he's shipping that over to Turkey  
19 to have them basically finish this yacht.

20 CS: Okay.

21 [OVERLAPPING VOICES]

22 PARK: -- deal because it was the owners couldn't  
23 finish it so they put it up for auction, and  
24 he picked it up at auction.

25 IVESON: Yeah.

1 CS: Excellent.

2 PARK: Yeah. You know, and then he's got all these  
3 other real estate deals and he's just got  
4 people all over the world that he's friends  
5 with that they get into this, they get into  
6 that. I mean, it's -- the amount of deals  
7 he does, and the different types of deals is  
8 just staggering. It really is.

9 CS: Yeah. So, he keeps you on your toes, right?

10 PARK: Absolutely.

11 IVESON: What do you see as the biggest, you know,  
12 challenge for you guys right now of, you  
13 know, servicing the high risk payments?

14 PARK: You know, it sounds bad because you say high  
15 risk, but that's just a designation that --

16 IVESON: Sure.

17 PARK: -- the card brands put on it because there's  
18 a higher risk because you don't have the  
19 card in front of you. Or because of the  
20 type, you know, there's a high risk of a  
21 chargeback. Say someone books a cruise or  
22 some big travel event. Well, a lot of times  
23 that doesn't come through. Right?

24 IVESON: Yeah.

25 PARK: Something happens. Either there's a big

1 pandemic, or there's this, or they -- their  
2 schedule changes and they got to cancel.  
3 So, cancellations on --  
4 CS: Yeah.  
5 PARK: -- credit card payments are a big deal to  
6 the networks. Right. They don't like to  
7 give money back.  
8 IVESON: But that's not really your issue, is it?  
9 Because you guys don't take on any of that  
10 risk.  
11 PARK: Well, you do actually.  
12 IVESON: You do. Oh, wow.  
13 PARK: To be in the chain and to get, you know, if  
14 you take no risk, you get like 20 percent.  
15 If you take -- no, you usually get 50  
16 percent if it's not high risk. You know, if  
17 you take the risk of the chargebacks, then  
18 you're at 80 percent of the interchange.  
19 IVESON: So, you guys are actually paying the  
20 merchants. You're not just --  
21 PARK: Yeah, no we --  
22 IVESON: -- processing the --  
23 PARK: -- we handle -- right. So, the --  
24 IVESON: Wow.  
25 PARK: -- processors handle it, they kick the money



1 out, we take it, we document it so we're  
2 always looking at, you know, is the  
3 chargeback issue a problem here, are they  
4 running up against any of the rules. You  
5 know, what's going on up here. Issues of  
6 any of that, we're involved in it to help  
7 keep them compliant.

8 IVESON: Yeah.

9 CS: Yeah.

10 PARK: So, they don't have those issues and they  
11 don't get kicked out of the -- of being able  
12 to process.

13 CS: Yeah.

14 IVESON: Yeah, I can imagine.

15 PARK: But that's where you make the big money.

16 CS: Oh, absolutely.

17 PARK: We're providing the --

18 [OVERLAPPING VOICES]

19 PARK: Yeah. You're a (U/I).

20 CS: Yeah.

21 PARK: And so, yeah, it's huge risk and justifies  
22 significant award.

23 CS: Yeah.

24 PARK: It's fascinating.

25 CS: But as well as it turns on the money, you're

1 -- I suppose the software, hits on the  
2 website, which is effectively a terminal --  
3 they're running a monthly fee. Aren't they,  
4 Mike?

5 IVESON: It depends on what element you're in.

6 CS: Yeah.

7 IVESON: So, you know, typically, you know, most  
8 merchants, yeah. They're paying a monthly  
9 fee for the terminal but basically, there's  
10 a charge for running the transaction.  
11 Right. So, these are charges, you know,  
12 depends on the type of card. There's a lot  
13 of variables. Let's say 3 percent, Amex  
14 charges 4 percent, you know, for a credit  
15 card transaction. That gets split up of all  
16 the people involved in the chain.

17 CS: Yeah.

18 IVESON: Right. And Visa gets some of it, the bank  
19 that's sponsoring it gets some of it, we get  
20 some of it.

21 CS: Yeah.

22 IVESON: That's all kind of split up amongst all the  
23 parties.

24 CS: Yeah.

25 PARK: But probably the biggest piece of revenue is

1 just from providing the merchant your --

2 IVESON: Yeah, I mean --

3 PARK: -- a charge, you deposit the funds --

4 IVESON: -- the merchant's settlement. You don't  
5 really make anything more on that. It's  
6 part of what you have to do. But you don't  
7 really make anything on it. You know,  
8 that's why there has to be enough money in  
9 it up front.

10 PARK: Yeah.

11 IVESON: From doing all those other things. You need  
12 the money to be in it. The good thing is  
13 most of these documents are just internal  
14 between, you know, the private trust company  
15 and the client.

16 CS: Yeah.

17 IVESON: But that trust is, you know, just to ensure  
18 it's enforceability, you know, we want to  
19 make sure that we initial where we change  
20 the spelling.

21 CS: And where the date, I'll flick through and  
22 do the date, Mike, just to save you a bit of  
23 time.

24 [BACKGROUND NOISE]

25 IVESON: -- where it hits the blank like.

1 PARK: That's for a date, date and place, yeah.

2 IVESON: Yeah. We can just go ahead and put the 18th

3 of January.

4 PARK: Yeah. Well all these, you know, you have

5 dates on all these documents in the

6 beginning too.

7 IVESON: Yeah. As long as you're fine with it, we're

8 fine with it. You know, I've double checked

9 with, you know, your colleagues (U/I).

10 They're absolutely fine.

11 CS: Yeah.

12 PARK: If we can our (U/I).

13 CS: Basically, I just obviously wanted to get

14 the signing out of the way.

15 PARK: Okay.

16 CS: Phase one done. They -- that will be

17 registered by the end of next week, Mike,

18 probably mid next week. And then I just

19 wanted to run through (U/I) on Michael's

20 visit, as well as you, Mike, and I just

21 wanted to go through, you know, any --

22 outline any issues that there are that

23 Michael may want to flag up to his (U/I) in

24 the firm, how we look to come up with

25 solutions for part two, talk about the

1 assets, what they specifically are, and then  
2 we can give some options in terms of  
3 solutions.

4 PARK: When you talk about issues, are you talking  
5 about like --

6 CS: The usual --

7 PARK: -- ones that might need asset protection?

8 CS: Yes, yes, basically. I always ask the same  
9 questions, you know, is there any  
10 litigation, you know, in terms of whatever  
11 really. It's good to know privately any  
12 government bodies, you know, with the SEC,  
13 the Department of Justice, and all the  
14 relevant bodies. It's just like a tick box  
15 for me, just to -- so I know for sure.  
16 Forewarned is forearmed.

17 PARK: Yeah. They're here, so --

18 CS: Yeah.

19 PARK: -- you can get it from the horse's mouth  
20 here.

21 CS: Yeah. Yeah. And then obviously talk about  
22 the assets so we can just start putting  
23 something, you know, to work with on paper.  
24 We can float by Michael and Mike.

25 PARK: Yeah. That would be my concern is just

1 drilling down -- well, you -- I mean,  
2 obviously, you need to know what if any  
3 issues are there so that you're able to, you  
4 know, recommend solutions that --

5 CS: Yeah, absolutely. You know, if there's any  
6 litigation coming down the pipe or from  
7 whoever or whatever. It's good to know.  
8 And it's just built in braces, really.

9 PARK: And define term for protector there because  
10 it should (U/I) being there.

11 [BACKGROUND NOISE]

12 IVESON: Here it is. But it doesn't have his name, I  
13 don't think.

14 PARK: It refers to his schedule. Yeah, Exhibit C.  
15 Signature page and then Exhibit C where you  
16 have his name.

17 IVESON: But the good thing is the work that has been  
18 done on the development of the private trust  
19 company and the LLC operating agreement, I  
20 think will serve Mike as a good template for  
21 what we do in Belize. So, that'll save on,  
22 you know, some expenses there (U/I). I've  
23 got a client who may have a superfund issue.  
24 I think I called you the other day about it.  
25 And kind of from my perspective, overruled

1 company's perspective, we haven't really had  
2 any issues handling EPA, you know, once  
3 we're outside the United States, our  
4 experience with EPA is they don't even  
5 bother.

6 CS: Yeah.

7 IVESON: I mean, there are certain, you call them  
8 departments, we call them agencies. There's  
9 certain agencies where we are (U/I) to their  
10 ability to reach assets outside the United  
11 States. But I can tell you my experience  
12 with the Justice Department attorneys, and  
13 the inhouse counsel at EPA offshore, they  
14 just -- they're completely out of their  
15 comfort zone.

16 CS: Yeah. And also, it just means, you know,  
17 maybe some assets maybe need prioritizing  
18 rather than all this, you know, if there  
19 were some issues with some, just something  
20 that may need expediting.

21 IVESON: Yeah. I mean, my thought is probably, I  
22 mean for this one client, I've drilled down  
23 into it. No bankruptcy issues. I mean,  
24 it's a superfund issue where I don't think  
25 even at a state level he is -- I don't think

1 the state's going to go after him. I think  
2 it's strictly going to be EPA and it's  
3 probably going to be some kind of clean up  
4 or you know, damages. And you know,  
5 thinking that probably a full Monaco will be  
6 --

7 CS: Yeah.

8 IVESON: -- just fine for --

9 CS: Yeah.

10 IVESON: You don't see an issue with that.

11 CS: Oh, no. We can maybe have a look at it in-  
12 depth, maybe.

13 IVESON: Yeah.

14 CS: I'm bushed today, but maybe tomorrow we can  
15 have a chat and we'll get it tucked and  
16 tailed and --

17 IVESON: Yeah, I mean, I've been telling about, you  
18 know, doing a Singapore, but you know, as we  
19 -- as I'm working through with this (U/I)  
20 counsel, I'm thinking that Monaco is  
21 probably just enough to create the screen  
22 that nobody --

23 CS: Yeah. Get like the firewall in place.

24 IVESON: Yeah. Yeah.

25 CS: That's great, Mike.



1 IVESON: It needs to be done, I think.

2 CS: So, we've agreed 18th, yeah?

3 IVESON: Yes. 18 January. And it confirms with the

4 regular --

5 CS: And on the signing, so what we're going to

6 go with today's signing is the 18th, yeah?

7 IVESON: Yeah.

8 [BACKGROUND NOISE]

9 CS: What's the zip code here for the place?

10 PARK: 33180.

11 CS: 33180.

12 IVESON: My son and his mother, they're headed back

13 to Europe this afternoon. And he left his

14 AirPods in the --

15 [BACKGROUND NOISE]

16 CS: Oh, no.

17 IVESON: In Florida. And they're like getting ready

18 to head over to the airport.

19 CS: Can't go without the AirPods.

20 IVESON: No. No. Especially a teenage boy.

21 PARK: They sell them at the terminals.

22 IVESON: I can expect to see that expense.

23 PARK: I'm going to grab a water. Would anyone

24 like anything?

25 CS: I tell you what, I wouldn't mind another one

1 of those. They're quite nice.

2 PARK: Lemon LaCroix?

3 CS: Yeah, please.

4 PARK: The same flavor (U/I)?

5 CS: Yes, please.

6 [BACKGROUND NOISE]

7 CS: Michael's next in line. That I've come

8 across, yeah.

9 PARK: Mike, did you double check all the green

10 flags he had signed?

11 IVESON: Yeah.

12 PARK: I just want to make sure --

13 IVESON: Yep.

14 PARK: Okay.

15 IVESON: Let me ask you, Mike, just you know, when it

16 comes to the plan that we're doing, it

17 really helps us to know kind of what issues

18 you may have concerns for, for your client.

19 Just, you know, if it's, you know, like

20 break it out, you know, by category based

21 typically on the affidavit of solvency that

22 we get clients to sign when they set up a

23 new trust. You know, we don't have that

24 here. This is an existing trust. But you

25 know, you work down a list of items --

1 [BACKGROUND NOISE]

2 IVESON: -- solvency.

3 [BACKGROUND NOISE]

4 IVESON: -- regulatory actions, anything like that.

5 And the reason I'm raising it is because I

6 always encourage people to tell us what

7 they're concerned about.

8 PARK: Sure.

9 IVESON: Only because depending on who it is, whether  
10 it's a --

11 [BACKGROUND NOISE]

12 IVESON: -- or even if it's a governmental agency,  
13 regulatory, anything like that. Depending  
14 on the nature of the other party, that  
15 guides us as to okay, what are the  
16 appropriate solutions and what solutions  
17 would we not recommend. Do you have a sense  
18 of what kind of drove Michael to think about  
19 doing this kind of planning?

20 PARK: Yeah, I mean, you know, there was a period  
21 of time where, you know, like I said, he  
22 gets into all kinds of investments. Okay.

23 IVESON: Okay.

24 PARK: The cannabis stuff, when we looked at it,  
25 right, it's been going on now, people who

1 move payments in cannabis for 15 plus years,  
2 and you know, more than half of the states  
3 have some form of legal cannabis now. So,  
4 the likelihood that they're going to do an  
5 about face on that is very low. But the  
6 reality is --

7 IVESON: There's (U/I).

8 PARK: It's still an illegal transaction. Right.  
9 You're still involved --

10 IVESON: In the federal funds systems, yeah.

11 [OVERLAPPING VOICES]

12 PARK: You know, we've done everything we can to  
13 isolate ourselves and to keep ourselves out  
14 of it, and to do what we can. But you know,  
15 for instance the feds decide they're coming  
16 after somebody, they're looking for the  
17 money.

18 IVESON: Yeah, yeah, yeah. So, yeah. You don't want  
19 to be the last guy standing.

20 PARK: Right.

21 [OVERLAPPING VOICES]

22 IVESON: -- administration, I can't imagine that --

23 PARK: No. It's --

24 [OVERLAPPING VOICES]

25 PARK: We all think that it's -- oh, it isn't. It

1                   isn't an enforcement item. Only, you know,  
2                   ever since Obama's administration, it's  
3                   really become a non-issue and none of the  
4                   Attorney Generals are looking at (U/I). The  
5                   reality is, you know, the states that have  
6                   enacted it are making a fortune in tax  
7                   revenues and fee revenues from cannabis.  
8                   And your, you know, the Senators are not  
9                   going to, even the republican senators,  
10                  where their states are making huge chunks of  
11                  money, are not likely to take a position  
12                  that's going to really come back and hurt  
13                  their state. Right?

14 IVESON:           Sure. Sure.

15 PARK:             They can kiss their jobs goodbye.

16 IVESON:           Yeah, yeah, yeah. Right.

17 PARK:             So, you know, it's becoming a lower and  
18                   lower probability, but still, you know,  
19                   there's still a risk out there because until  
20                   they take the official action of removing it  
21                   from the list of prohibited drugs in  
22                   schedule one, by the FDA, which the  
23                   administrator of the FDA admitted under  
24                   Trump that there's a valid use for it, and  
25                   it needs to be rescheduled. Still hasn't

1 don't it.

2 IVESON: Yeah.

3 PARK: Right.

4 IVESON: Yeah.

5 PARK: Because in my opinion, the Senators haven't  
6 gotten enough money out of the lobbying to  
7 say let's move forward.

8 IVESON: Yeah.

9 PARK: And take this off the table, because they're  
10 still making good money, you know, from all  
11 the factions. And then, you know, one of  
12 his investments he got into, I don't know if  
13 you've heard about the whole Trump, what was  
14 it called, his -- he's coming up with his  
15 own, you know, Truth Social. And there was  
16 that whole thing to fund it. And that  
17 company that --

18 [OVERLAPPING VOICES]

19 IVESON: Like the Twitter alternative or was it  
20 Facebook or Twitter alternative that --

21 PARK: Yeah.

22 IVESON: -- he was developing.

23 PARK: Yeah. Truth Social.

24 IVESON: Okay.

25 PARK: But they're -- but originally when he was

1 talking about doing that, there was a Stack  
2 out there that was raising the money and  
3 saying, you know, it was not permitted to go  
4 out and say this is what we're going to buy  
5 because they had been negotiating with Trump  
6 to provide them the funding, and if they go  
7 public, you get the money, yada, yada. And  
8 if it was a Stack, we couldn't --

9 [BACKGROUND NOISE]

10 PARK: -- should be doing that. Michael got  
11 introduced and provided some funding for the  
12 Stack prior to them announcing to anybody  
13 what was involved. They -- he kind of  
14 suspected that's what it was. Right? Just  
15 because of all the --

16 IVESON: Sure.

17 PARK: -- stuff in the press and what was going on.  
18 But you know, so he and some of his  
19 partners, you know, provided the, basically,  
20 the bridge money to get the Stack to the  
21 point where they could complete the deal.

22 IVESON: Yep.

23 PARK: Right? Then it all blew up, and all these  
24 regulators starting coming in and of course,  
25 subpoenas came flying in for Michael and to

1 the other investors.

2 IVESON: And welcome to politics.

3 PARK: Yeah. And you know, it's been out there  
4 long enough. And you know, we had our  
5 attorneys look at it and you know, they --  
6 guys that specialize in this stuff and they  
7 said look, you know, the process is going to  
8 go on. You're going to have to deal with  
9 it. I don't see that they've got any  
10 capability of ultimately getting to you and  
11 making an issue. You did nothing wrong.  
12 Right. But when it's political, and you're  
13 name's in the paper, and there's a bunch of  
14 that flying around, you just don't know, you  
15 know, so we don't think there's a big risk  
16 there, but you know, like I said, he gets  
17 involved in investments that are high net  
18 return, which brings higher risk. So, he  
19 doesn't want there to be much opportunity  
20 for anybody to come, you know, and say, you  
21 know, I'm --

22 [BACKGROUND NOISE]

23 IVESON: But you know, I'm sorry, but just to go back  
24 for a moment on the Trump issue.

25 PARK: Yeah.



1 IVESON: So, let's drill down into that just to make  
2 sure we're on the same page as to what risk  
3 we're trying to mitigate there, so that, you  
4 know, making sure that Steve --  
5 CS: Yeah.  
6 IVESON: -- he's doing the right thing. Your -- is  
7 your concern -- I mean, there's no  
8 bankruptcy proceeding affecting that.  
9 PARK: No.  
10 IVESON: Right?  
11 PARK: No.  
12 IVESON: So, was it like (U/I)?  
13 PARK: Yeah. I mean, and I think, you know, it's  
14 really --  
15 IVESON: That's it?  
16 PARK: -- pointing now, well at the time, who knew,  
17 right.  
18 IVESON: Yeah, well, no I mean I --  
19 [OVERLAPPING VOICES]  
20 IVESON: -- because Steve and I, we have a track  
21 record with clients who have had FCC issues.  
22 PARK: Yeah.  
23 IVESON: And so, they're nothing to us. We have --  
24 PARK: Right.  
25 IVESON: Well --

1 PARK: And you know, that's basically what it's  
2 come down to and guy is, instead of Stack,  
3 apparently, was doing some --

4 [BACKGROUND NOISE]

5 PARK: -- and I think they kind of focused in on  
6 him, and he's got some real troubles.

7 IVESON: Do you have any sense what it was he was  
8 doing?

9 PARK: Oh, well, I mean, you know, was, you know  
10 doing things he wasn't supposed to do like  
11 kind of letting people know what they were  
12 going to invest in.

13 IVESON: Okay. So, he was giving out insider  
14 information.

15 PARK: Yeah, basically.

16 IVESON: Okay.

17 PARK: And you know, he had some prior dealings  
18 that they started to look into. So, I mean  
19 there was just a whole bunch of stuff lying  
20 around that.

21 IVESON: Sure.

22 PARK: But you know, I mean, you're generating all  
23 this money and it's a substantial sum of  
24 money.

25 IVESON: Yeah.

1 PARK: So, you really -- somebody starts coming and  
2 looking for some reason, whether it's a  
3 regulator or private party or whatever, you  
4 just don't want it to be available to them,  
5 you know, so you can basically say what --

6 [OVERLAPPING VOICES]

7 CS: Definitely, yeah.

8 IVESON: Yeah, I mean, I would say, you know, it's  
9 hard because the first issue you raise --

10 CS: Sorry, one second. I just need to do some  
11 dates in there, don't I?

12 IVESON: Yeah.

13 CS: I'll leave that one open. Michael just  
14 needs to sign that one and two others.  
15 Sorry, gents. Carry on. I am listening.

16 [BACKGROUND NOISE]

17 IVESON: So, two issues there. Are there any other  
18 issues that you --

19 PARK: No, I mean there's nothing really out there.  
20 I mean other than, like I said, I think, you  
21 know, his perspective of he's -- he invests  
22 in things that have more risk. Right. So,  
23 you're likely to, you know, you're more  
24 likely to be a party with somebody when  
25 you're in a higher risk endeavor. Right.

1 So, just from a general business  
2 perspective, you know, you want to remove  
3 the assets to the point where somebody can  
4 come after them if something does go  
5 sideways in one of these deals.

6 IVESON: Yeah, no, absolutely. And that's right up  
7 our ballpark. I think one other issue you  
8 had raised. I never really identified it as  
9 an issue, but it was more just when we, so  
10 (U/I) and say okay, well, you know, --

11 SHVARTSMAN: Sorry, guys.

12 IVESON: You know, there's one issue there --

13 SHVARTSMAN: I'm running to the bathroom.

14 IVESON: You mentioned about the attribution of  
15 ownership, you know, because when we were  
16 talking about the trust and the whole --

17 [BACKGROUND NOISE]

18 IVESON: -- trust because, it's Michael's trust.  
19 (U/I). You know. But you pointed out some  
20 -- what from your side were valid concerns  
21 that we (U/I) attribution of ownership. We  
22 really can't have this be Michael's  
23 property. It has to be Maria -- Maria is  
24 her name? It has to be Maria's property.  
25 And I mean, Mike laid out the case of, you

1 know, not -- I thought he did it quite well.  
2 He said look, you know, there's no law that  
3 says that if I help my sister-in-law make a  
4 lot of money, that I have to charge her for  
5 it. You know, I can do that. You know, I  
6 thought he summed it up quite succinctly  
7 there. But going forward with this  
8 structure that's still in (U/I) we really  
9 want that basically it's a non-Michael  
10 structure. He can influence it. He can't  
11 control it.

12 PARK: Right.

13 IVESON: Okay. So, yeah, I would say, I'm going to  
14 write that down as a third issue, but to me,  
15 that's really a nothing. I mean, we're able  
16 to play around that. But that's not going  
17 to be a barrier. And what I mean by that is  
18 I think with all the options you have for  
19 how we design the Belize LLC, that ought not  
20 to really weigh heavily on how we structure  
21 that entity. But the first two issues, I  
22 mean --

23 CS: Sorry to jump in.

24 IVESON: Sure.

25 CS: Michael, and just needs your signature

1                   there. There may be one or two that was in  
2                   the --

3 [BACKGROUND NOISE]

4 CS:               -- one or two things in there, but I'm not  
5                   (U/I).

6 IVESON:          So, DEA enforced an action liability with a  
7                   client. To me, that's a very remote risk.  
8                   I mean, I think we would all agree, we just  
9                   don't see that happening right now. But you  
10                  know, if there were change of  
11                  administration, you know, who knows. You  
12                  know, what could happen in the future yeah,  
13                  things could evolve to where they take a  
14                  different (U/I) on this. I think long term,  
15                  that's not going to happen.

16 PARK:           Yeah.

17 SHVARTSMAN:     What are you guys talking about?

18 PARK:           Just the different risks that we're looking  
19                  to mitigate, you know, with the asset  
20                  protection, so you know, I went through the  
21                  cannabis and still federally illegal, and  
22                  you know, all of that plus what happened  
23                  with the (U/I) Stack. You know, and you  
24                  know, we see very limited exposure in any of  
25                  those things. It's still not something you

1 want to have out there.

2 SHVARTSMAN: Yep.

3 PARK: And you know, plus your standard business  
4 model, is you invest in higher risk  
5 investments on a regular basis, and you just  
6 never know what's going to blow back on some  
7 of them.

8 SHVARTSMAN: Yeah.

9 PARK: So, --

10 IVESON: And then just close the point on the DA  
11 issue, which I think is a remote risk that  
12 normally I might not even take into account,  
13 but if we were charged with providing a  
14 solution for that particular type of risk,  
15 then the solution would be okay, look, you  
16 know, we really have to completely defuse  
17 the assets. We have to remove the  
18 fingerprints so that the person who's  
19 holding those assets is able to substantiate  
20 to any regular -- any banking institution  
21 that there is no bad money trail here.  
22 That, you know, it's all clean money. And  
23 so, that pushes you to the most extreme  
24 solutions. Extreme is overstating, but you  
25 know, to more formidable solutions that we

1 use in that universe. So, I just park that  
2 out there. Again, I don't think that's a  
3 real risk that I would be losing sleep over.

4 SHVARTSMAN: We don't need that.

5 IVESON: Okay. Good. The second risk to me is more  
6 prevalent. It's more contemporary. And but  
7 that one fortunately, the solutions are a  
8 little bit easier. A little bit more  
9 pragmatic because you know, we've gone head  
10 to head with the FCC in cases involving some  
11 of our clients. And U.S. based assets, the  
12 FCC has a pretty free hand. They can grab  
13 whatever they want, you know, within the  
14 auspices of a court order here in the United  
15 States. Outside the United States, it's a  
16 lot harder for them to grab their assets.  
17 And we do see with the justice department  
18 attorneys who do bring these enforcement  
19 actions outside the United States, you know,  
20 working through (U/I), going through formal  
21 court proceedings in other jurisdictions,  
22 that they're really looking for easy  
23 targets. The moment it becomes complicated,  
24 they lose their appetite. And so, we find  
25 that a more competent solution in that space



1 tends to deter them. We haven't had, you  
2 know --

3 SHVARTSMAN: That's (U/I).

4 PARK: Hi Eric.

5 CS: Hi Eric. Good to meet you. Steve Davies.

6 HANNELIUS: Steve.

7 PARK: Hey. John Iveson.

8 HANNELIUS: Nice to meet you. Nice to meet you.

9 IVESON: We just, you know, we find that there are  
10 some pragmatic solutions that we implement  
11 there and make them so that they really  
12 don't want to go after. We've never had a  
13 situation where a client did a structure  
14 where that was a specific concern, where the  
15 FCC was ever able to grab assets outside of  
16 the United States. So, all right. Steve,  
17 we've talked through the issues. Mike, you  
18 said no other issues. Okay.

19 CS: So, we (U/I).

20 IVESON: So, what's next on your agenda, Steve?

21 CS: Then it's is the specific assets themselves  
22 contained in the three LLC's that are in the  
23 Virgin Islands.

24 SHVARTSMAN: And Mike can go through those with you.

25 IVESON: Yep.

1 SHVARTSMAN: There's (U/I) in the property.  
2 IVESON: Yep. The one of them has --  
3 SHVARTSMAN: I mean --  
4 PARK: -- the other boats are not under that  
5 structure.  
6 SHVARTSMAN: Yeah.  
7 PARK: There's one large yacht, which is under, you  
8 know, Rocket Management. That's really the  
9 only asset it holds.  
10 IVESON: Okay.  
11 PARK: The other two entities are really just  
12 investment --  
13 [BACKGROUND NOISE]  
14 PARK: -- investment and various --  
15 SHVARTSMAN: Rocket Holding also owns property, two  
16 properties.  
17 PARK: Well, here in the U.S.  
18 SHVARTSMAN: Commercial property in the U.S., and it owns  
19 a condo. Right?  
20 PARK: Yep. Your residence.  
21 SHVARTSMAN: So, yeah, I'm living there now, but there's  
22 another property my wife and I own that we  
23 got a homestead on.  
24 IVESON: Okay.  
25 SHVARTSMAN: That we're renovating right now.

1 [BACKGROUND NOISE]

2 IVESON: Okay. That's not in the structure.

3 SHVARTSMAN: No.

4 IVESON: Okay. My wife and I, it's not in the  
5 structure.

6 IVESON: Okay.

7 SHVARTSMAN: Under the structure is an apartment that is  
8 here, that's owned by the trust.

9 IVESON: Okay.

10 SHVARTSMAN: The commercial buildings in Miami that it  
11 also owns.

12 IVESON: And Michael understands what -- there's only  
13 so much you can do with the U.S. asset.

14 PARK: Yeah, or who owns it. It's in the U.S.,  
15 it's real estate. You're not going to, you  
16 know, you can protect --

17 IVESON: No, but we've talked about, we do have  
18 solutions for assets that can be moved and  
19 granted, because of the cost associated with  
20 it, we normally don't recommend --

21 [BACKGROUND NOISE]

22 [OVERLAPPING VOICES]

23 SHVARTSMAN: We're good with that.

24 IVESON: Okay. Good. And then so there's the other  
25 rocket, I think it's Rocket 11 holdings.

1 SHVARTSMAN: Yeah. So, that's, that's really just a  
2 specific set of investments. So, there's  
3 the 11 fund, there (U/I) various  
4 investments. And we just created a separate  
5 company to do all of the, anything that he  
6 invested through the 11 fund goes to that  
7 Rocket 11.

8 IVESON: Okay.

9 SHVARTSMAN: That's all it is. Ownership in various --  
10 [BACKGROUND NOISE]

11 IVESON: Bank accounts. Next to the Rocket 1 is  
12 Rocket 11. Do you have any bank accounts in  
13 --

14 [BACKGROUND NOISE]

15 IVESON: -- or any subsidiary --

16 SHVARTSMAN: Only Rocket --

17 [BACKGROUND NOISE]

18 SHVARTSMAN: -- has a bank account. Rocket Holdings has  
19 a bank account.

20 IVESON: Do you have a bank account?

21 SHVARTSMAN: I don't think so. I don't think we have one  
22 for --

23 [BACKGROUND NOISE]

24 IVESON: Okay. So, now that you're no longer the  
25 trustee, Steve, through the private trust

1 company is the trustee over the trust. The  
2 trust account, which bank is that with?

3 SHVARTSMAN: It's with a small bank here in Florida.

4 IVESON: Okay. Does it hold a lot of money?

5 SHVARTSMAN: No.

6 IVESON: Okay. Probably easiest thing is just close  
7 that account out because technically, you no  
8 longer have legal authority. You're not a  
9 trustee anymore.

10 SHVARTSMAN: Okay. And then what happens? What happens  
11 to the money?

12 IVESON: Do you need a bank account for the trust?

13 Do you want a bank account for the trust?

14 SHVARTSMAN: So, the reality is is that the money that's  
15 sitting in the trust right now, it's not a  
16 lot, like a million and a half dollars.  
17 That's all that's in there right now. And  
18 the reality is --

19 [BACKGROUND NOISE]

20 SHVARTSMAN: -- that very shortly, it's something that  
21 we're working on. And then yeah, so the  
22 trust was Rocketship Management, which was -  
23 - which owns the boats. Right. So, that  
24 needs money because that pays the bills for  
25 the boat.

1 IVESON: Okay.

2 SHVARTSMAN: And also, Rocket Holdings has, I don't know  
3 probably 40, \$50 million in debt that it  
4 owes to other entities.

5 IVESON: Other related entities or unrelated  
6 entities?

7 SHVARTSMAN: So, Rocket Holdings holds equity in a whole  
8 bunch of businesses. One of the businesses  
9 is a Puerto Rico business, which lends it --  
10 loans it money, and then Rocket Holdings  
11 uses that money to make, you know,  
12 investments and you know, do other things.

13 IVESON: Got you.

14 SHVARTSMAN: So, it owes 40 or 31, 51, I don't know what  
15 the --

16 IVESON: But it owes it to its own subsidiary.

17 SHVARTSMAN: To its -- it owes it to companies that are  
18 (U/I).

19 IVESON: Okay. So, yeah, that's just a paper  
20 transaction. That's all.

21 [BACKGROUND NOISE]

22 IVESON: But you know, one thing to touch on here is  
23 that because the legal title is changed on  
24 the trust, if those banks are required to  
25 keep, you know, the trust agreement or due

1 diligence on the trustee in their files,  
2 your normal course is you would tell the  
3 bank, hey, look, there's been a change here.  
4 But you know, Steve, I don't want to speak  
5 for you. I know generally, I've never  
6 worked with you on a U.S. bank account. You  
7 don't do this stuff in the United States.

8 CS: Yeah. Yeah we can (U/I) which you will have  
9 control over anyway, Michael. Whatever we  
10 do, whichever way we choose to do it,  
11 ultimately you choose to do it.

12 SHVARTSMAN: Yep.

13 CS: You will have that control over wherever it  
14 is.

15 IVESON: If the bank accounts or any business  
16 entities are here in the United States, then  
17 that's not an issue because --

18 CS: Yeah.

19 IVESON: -- you know, you have your people as  
20 signature -- signatories on those accounts.  
21 So, it's really you have any, you know, if  
22 you need trust accounts for any of these top  
23 tier entities. I think the larger issue is  
24 the LLC's themselves.

25 SHVARTSMAN: Because they're (U/I).

1 IVESON: Yeah. Because you know, the issues that  
2 you're talking about, especially as the FCC,  
3 if the FCC were to come in, as I see it  
4 right now, everything is --

5 PARK: I don't think it would -- yeah, if the FCC  
6 came in on that --

7 [BACKGROUND NOISE]

8 PARK: -- to really be the target, the trust or its  
9 holding. Because the investment was made in  
10 a different entity that Michael owns. Well,  
11 now Rocket Holdings owns 80 percent now.

12 SHVARTSMAN: But it didn't before.

13 PARK: Right. But now, now then we look at that.

14 IVESON: Yeah. If they own 80 percent then, yeah,  
15 that would -- I mean, does it have material  
16 assets?

17 SHVARTSMAN: It kind of does and kind of doesn't. We did  
18 it for the tax stuff and we didn't end up  
19 doing that, so we didn't file anything for  
20 2020, in regards to that. So, we can undo  
21 it right now if we wanted to.

22 CS: Yep.

23 SHVARTSMAN: So, we did it just to kind of mitigate  
24 taxes, we didn't intend to follow through  
25 with that, we ended up paying the taxes.



1                   So, it doesn't have to -- we can undo it if  
2                   we wanted to.

3   PARK:           We have to make that decision soon. She's  
4                   filing all the extensions and I think they  
5                   listed it that way.

6   [OVERLAPPING VOICES]

7   SHVARTSMAN:    Okay. Good enough.

8   IVESON:        Maybe the better thing, Steve, I don't want  
9                   to, you know, hijack your agenda here, but  
10                  maybe the better thing is just to ask where  
11                  would you like to be at the end of this  
12                  process? Because I know we talked about the  
13                  Belize, LLC, owned by, you know, your  
14                  family. You know, not you directly. Or you  
15                  know, somebody you trust.

16   SHVARTSMAN:   All right. Well let's talk about it. Let's  
17                   say my dad owns the Belize, LLC.

18   IVESON:        Your dad's a -- he lives in Canada.

19   SHVARTSMAN:   Canada, yeah. He lives in -- we'll just use  
20                   that as an example.

21   IVESON:        Yeah.

22   SHVARTSMAN:   Could be somebody from the Ukraine. I got  
23                   people there. I got people in a whole bunch  
24                   of places. I trust them (U/I). Right. So,  
25                   let's pretend it's my dad right now.

1 IVESON: Okay.

2 SHVARTSMAN: So, he owns the Belize, LLC. And then what?  
3 The Belize, LLC owns all these assets?

4 IVESON: Well, okay. We can -- Steve and I can both  
5 come up with our recommendations here but  
6 from everything that I've heard, I think the  
7 better thing for you is just to hear where  
8 you would like to be. I mean, what would  
9 work best for you?

10 SHVARTSMAN: Listen, everything -- what I'm doing right  
11 now works great for me.

12 IVESON: Okay.

13 SHVARTSMAN: Okay. I don't have any issues, and  
14 everything works, everything works the way  
15 it's supposed to, the trust works the way  
16 it's supposed to. Evidence works. All  
17 right. The only reason we're doing this is  
18 because 'm not even worried about the DEA,  
19 to be honest with you, at all.

20 IVESON: Yeah, I wouldn't be worried.

21 SHVARTSMAN: I'm not. I'm not worried about the DEA at  
22 all. This shit happened with Trump. All  
23 right. So, God willing, knock on wood, it  
24 would have happened to him too, and a bunch  
25 of other friends of ours.

1 IVESON: Okay.

2 SHVARTSMAN: That were investors in this thing. So, God

3 willing, nothing happens. But if something

4 happens, I want to make sure that, you know,

5 assets are protected.

6 IVESON: Okay. Okay. So, --

7 SHVARTSMAN: That nobody's taking anything from me.

8 CS: Shall we do the --

9 IVESON: Yeah. Go ahead.

10 [OVERLAPPING VOICES]

11 CS: Do the -- I would call it option one.

12 IVESON: Okay.

13 CS: And it would just be a straightforward sale.

14 IVESON: Okay.

15 CS: Sale and purchase.

16 IVESON: Got you.

17 CS: So, effectively, the U.S. Virgin Island

18 entities will be purchased by Belize, but

19 the Belize entity with or without any

20 intermediary. It'd be -- the purchase will

21 be done using promissory notes. What it

22 would say we got because there's no

23 firewall, but still, there's still a (U/I)

24 very easily to -- from Belize to the Virgin

25 Islands.

1 [BACKGROUND NOISE]

2 CS: That's just a wholesale sale deal, no  
3 splitting up of any of the assets.

4 IVESON: Okay. So, if we were to do this, thinking  
5 you have the trust here with the three U.S.  
6 Virgin Islands LLC's, in the most basic --

7 CS: Yep.

8 IVESON: -- version of this. The trust sells it to  
9 the Belize, LLC, preliminarily takes back a  
10 note, may want to with time, open up a bank  
11 account for the trust so it can receive  
12 actual payments. But the idea is that  
13 that's the simplest way to migrate the U.S.  
14 Virgin Island LLC's over in to the Belize,  
15 LLC.

16 CS: Yeah.

17 IVESON: But is, you know, as we discussed, you know,  
18 the problem is those U.S. Virgin Island  
19 LLC's are vulnerable to any SEC client.

20 CS: Yeah. And obviously the payments that can  
21 be taken out through --

22 [OVERLAPPING VOICES]

23 IVESON: By the way, in my experience, normally once  
24 the SEC takes enforcement action, it's  
25 usually followed up right away by class

1 action lawsuits. So, you're thinking in  
2 your mind right now SEC, but in my  
3 experience, the SEC ends up becoming the  
4 simpler issue.

5 SHVARTSMAN: Class action lawsuits for what?

6 IVESON: It, you know, it's --

7 SHVARTSMAN: Against us?

8 IVESON: Yeah, yeah.

9 SHVARTSMAN: Why?

10 IVESON: From other market participants. If the SEC  
11 establishes something against other  
12 investors.

13 SHVARTSMAN: No because it's not -- no.

14 IVESON: Okay.

15 SHVARTSMAN: But anyways, okay, go ahead.

16 IVESON: But that said, you know, the point here is  
17 the Virgin Islands LLC's, I would prefer  
18 that we just drill into what's in them and  
19 say okay, is it best to just pull out this  
20 individual assets, park them underneath  
21 Belize, LLC, or underneath subsidiaries that  
22 are owned by the Belize, LLC. We can tailor  
23 that.

24 SHVARTSMAN: I think it's better in my mind, I think it's  
25 better to set up, you know, similar LLC one,

1 two, three under the parents and this buys  
2 the assets from here, and then the assets  
3 transfer over.

4 IVESON: Okay.

5 CS: Okay. So, that would be option one. Say if  
6 we put another option on the table, which is  
7 option two, where we put an intermediary in  
8 the middle --

9 IVESON: Okay.

10 CS: -- which creates a firewall.

11 IVESON: You're thinking back to that.

12 CS: Yeah.

13 IVESON: Okay. So, this is a very basic variance of  
14 the strategy. So, here you have your  
15 intermediary. You have a transaction here,  
16 transaction here, you have --

17 CS: And again, it would be on the same principle  
18 with notes.

19 IVESON: Yeah. It's all paper. And Steve, what's  
20 the benefit of this approach?

21 CS: Oh, the benefit is it just takes it one step  
22 removed from the original situation in the  
23 Virgin Islands.

24 IVESON: Yeah, well then, just this one thing then  
25 that we touched on in an earlier

1 conversation, that is these days -- it used  
2 to be ten years ago if you came to me and  
3 said hey, you know, I want to do direct sale  
4 to the Belize, LLC, and then the Belize, LLC  
5 can go and open up bank accounts, or let it  
6 own subsidiaries. So, subsidiaries could  
7 open up bank accounts in the U.S. or  
8 elsewhere around the world. Not a problem.  
9 These days, completely different world. The  
10 banks are all saying okay, well, we need to  
11 see source of funds documentation. You  
12 know, we've got the due diligence, the  
13 official ownership issue is well handled.  
14 The biggest obstacle these days is I can do  
15 -- Steve can do anything you guys want over  
16 here from a legal structure standpoint, but  
17 the moment you go to open up a bank account,  
18 the bank says okay, we want to see the  
19 source of funds documentation.

20 SHVARTSMAN: There's no source of funds -- there is no  
21 source of funds. It's just paper. It's all  
22 IOU's.

23 IVESON: Well, yeah, exactly. In other words, when  
24 you go to the bank, you're showing them oh,  
25 here, we borrowed from an intermediary and

1 the bank says okay, well, that ends the  
2 inquiry. If you have a good intermediary,  
3 the bank never sees this side of the  
4 equation.

5 SHVARTSMAN: No. The banks not -- so here's the thing.  
6 When we go open these companies, nobody's  
7 asking us anything. Any (U/I). So, that's  
8 easy. All right. So, now you got to go  
9 open a bank account for these companies.

10 IVESON: Right.

11 SHVARTSMAN: So, I can go to a bank in the U.S. as an  
12 example and say hey, I want to open a bank  
13 account for Belize, LLC. I don't know, can  
14 you open a bank account for Belize, LLC in  
15 the U.S.?

16 IVESON: Absolutely.

17 SHVARTSMAN: Okay. Fine. So, I can call guys --

18 IVESON: I mean, it's not every bank. There are a  
19 handful of banks here in the United States  
20 that I work with that will open up accounts  
21 --

22 CS: The choice is there if you want it in the  
23 U.S.

24 SHVARTSMAN: No, what I'm saying is we've had very good  
25 relationships, I can make a phone call and



1 we're doing it. As an example say you want  
2 a bank in the U.S., right. So, we open a  
3 bank account in the U.S., no problem. So,  
4 we're not going to have any questions asked,  
5 because if we open a bank account, it's not  
6 like we're dropping \$10 million in it, it's  
7 just a bank account.

8 IVESON: Well --

9 [OVERLAPPING VOICES]

10 SHVARTSMAN: Sometimes there are no funds.

11 IVESON: Well, yeah. You're assuming that there's no  
12 significant cash. The issue is, you know,  
13 over time, you know, will there be  
14 significant cash.

15 SHVARTSMAN: Well, what'll -- I'll tell you what's going  
16 to happen. What will happen is that sooner  
17 or later, maybe two months, or three months,  
18 or five months, six months, or a year, or  
19 two years, there's going to be asset sales  
20 because we're investing in many different  
21 companies. We'll have liquidity events.  
22 Right. So, we might have a liquidity event  
23 and maybe it's going to be \$30 million, as  
24 an example.

25 IVESON: Sure.

1 SHVARTSMAN: All right. So, now, there's going to be \$30  
2 million going into this LLC, and we have a  
3 bank account for it in the U.S. as an  
4 example.

5 IVESON: Yeah.

6 SHVARTSMAN: Right. So, we're going to wire \$30 million  
7 and the bank at that point might say hey,  
8 where did this \$30 million come from?

9 IVESON: That's right.

10 SHVARTSMAN: And then we're going to show them the  
11 purchase (U/I) shares, and the company we  
12 were a shareholder in. Right. We're going  
13 to show it to them then they go okay, that's  
14 where you got the money from. That's it.

15 IVESON: So, from that transaction, yes. But if the  
16 bank --

17 SHVARTSMAN: Well, I'm telling you the bank doesn't know  
18 what these companies own. It has no idea.

19 IVESON: Yeah, no, no, no. That's right. And when  
20 the time comes that large sums move in,  
21 that's when the bank starts to ask those  
22 questions. More at the time that you go to  
23 establish the account. That's when the bank  
24 says okay, we're required to know who the  
25 beneficial owner of the structure is.

1 SHVARTSMAN: Of course they do.

2 IVESON: And we need to understand the source of  
3 funds that are anticipated to come into the  
4 account. That's where if you have the  
5 direct transaction between the trust and the  
6 Belize, LLC, the one issue you will have is  
7 that the bank will see that the assets came  
8 over from the trust. They will eventually  
9 get that history or go get that record,  
10 which means you will have issues with  
11 beneficial ownership, and if the bank is  
12 willing to accept, okay, we get that this is  
13 a new Belize, LLC, but you know, it bought  
14 directly from its trust.

15 SHVARTSMAN: I'll tell you, I've opened up hundreds and  
16 hundreds and hundreds of bank accounts. Not  
17 once has anybody ever asked me what the  
18 company owns. Not once.

19 IVESON: No. Not what the company owns. What I'm  
20 talking about --

21 SHVARTSMAN: So, how is -- how would you --

22 IVESON: Right now, when you go to open any account,  
23 you're going and saying hey, Mr. Shvartsman,  
24 I own this --

25 SHVARTSMAN: Not if I open a trust. Because then the

1 trustee would come and do that.

2 IVESON: That's right. And they're just getting your  
3 information.

4 SHVARTSMAN: Yeah.

5 IVESON: Yeah. The bank doesn't have Maria's (PH)  
6 information.

7 SHVARTSMAN: Of course they did in a copy of the trust.

8 IVESON: They have a copy of the trust, well, I  
9 guess, yeah. If, you know, maybe  
10 historically the bank had it. I mean, if  
11 you were to go in today and open up an  
12 account for the trust, the bank will say no  
13 because Maria's a Russian (U/I). We can't  
14 even open the account right now.

15 SHVARTSMAN: Okay.

16 IVESON: In the United States.

17 SHVARTSMAN: Yeah, okay.

18 IVESON: I mean, so anyway --

19 SHVARTSMAN: All right so

20 [OVERLAPPING VOICES]

21 CS: Someplace effective and just builds it up  
22 and eventually if there are any issues going  
23 forward --

24 SHVARTSMAN: I understand, I understand what this does.

25 CS: Yeah.

1 SHVARTSMAN: But who is the beneficial owner of the  
2 Belize corp?  
3 IVESON: That would be your dad.  
4 SHVARTSMAN: Okay. Because my dad's the beneficial owner  
5 of the Belize Corp.  
6 IVESON: It would be -- when the bank says source of  
7 funds, your dad is providing the  
8 documentation that shows they acquired the  
9 assets from this intermediary entity and  
10 that ends the inquiry. They don't see --  
11 SHVARTSMAN: That's fine. I mean, that works. It's very  
12 simple.  
13 IVESON: I mean, it's up to you. But --  
14 SHVARTSMAN: Yeah, that works. It's very simple.  
15 IVESON: Yeah.  
16 SHVARTSMAN: So, we just sign back to back paperwork.  
17 And you know, so it gets sold twice and --  
18 IVESON: Yeah.  
19 SHVARTSMAN: -- at the same time.  
20 CS: Absolutely, yeah.  
21 IVESON: Yeah.  
22 SHVARTSMAN: That's fine.  
23 CS: So, I don't, from my understanding, it's  
24 probably not even worth discussing option  
25 three. Option three is a back to back in

1 the middle with intermediaries, but if  
2 you're comfortable with the one  
3 intermediary.

4 SHVARTSMAN: I mean, in --

5 [BACKGROUND NOISE]

6 SHVARTSMAN: -- what's the -- the purpose of the  
7 intermediary is so things don't go back to  
8 the trust --

9 CS: Exactly.

10 SHVARTSMAN: -- the regular trust or --

11 CS: So, you can have one, you can have two,  
12 whatever. It's a paper exercise at the end  
13 of the day.

14 SHVARTSMAN: I mean, to me this makes sense. There's  
15 nothing wrong with it.

16 IVESON: You know, the other advantage here is you  
17 have the ability to choose. If you want,  
18 that there's certain investments, certain  
19 businesses that maybe you had your  
20 fingerprints on, but now you, for whatever  
21 reason, you need to be able to say, hey, I'm  
22 not associated with this company at all.  
23 I'm not an owner. I don't have any, you  
24 know, direct control over it. No  
25 fingerprints whatsoever. Through this

1 arrangement, basically, again, what any  
2 inquiring regulator or banker would see is  
3 oh, it was acquired from this intermediary  
4 entity. And you know, the intermediary  
5 entity would be a subset of the company that  
6 an estate has that would, you know, they'd  
7 be able, if they needed to, they could ping,  
8 and Steve would be able to provide all the  
9 verification on the -- yeah, yeah, we did in  
10 fact sell this business or this company to  
11 this Belize, LLC. We sold it to Mike's  
12 father.

13 CS: Yeah. Here's all the paperwork.

14 SHVARTSMAN: All right. So, right now, so I get this, so  
15 let's proceed.

16 IVESON: Okay.

17 SHVARTSMAN: So, that's --

18 IVESON: Easy enough.

19 SHVARTSMAN: All right.

20 CS: So, you're comfortable with just one  
21 intermediary, Michael.

22 SHVARTSMAN: I mean, if you want to give me a reason why  
23 (U/I).

24 IVESON: Nice to meet you.

25 CS: Yeah. Nice to meet you.

1 SHVARTSMAN: So, okay, why do I need two?

2 CS: Well, it's just a little bit more of an  
3 extra distancing from the trust.

4 SHVARTSMAN: Here's the way I look at it. Let's talk  
5 about shaking this out.

6 IVESON: Yep.

7 SHVARTSMAN: All right. Let's talk (U/I). So, if --

8 [BACKGROUND NOISE]

9 SHVARTSMAN: -- then, here's what's going to happen.  
10 They're going to call the bank where the  
11 trust is today. They're going to say --  
12 they're going to subpoena all the bank  
13 records. All right. They're going to  
14 subpoena the bank records. And they're  
15 going to follow the money. All right. And  
16 they're going to see, oh, this company  
17 invested in -- they wrote a check to this  
18 company, and this company, and this company,  
19 and this company. Then they could call each  
20 of those companies and say hey, you received  
21 a million dollars, as an example, from  
22 Rocket Holdings. What's it for.

23 [PHONE RINGING]

24 SHVARTSMAN: Sorry.

25 [SHVARTSMAN ON CALL]



1 SHVARTSMAN: Hello. Are, no problem. I got a client.  
2 All right. Bye.  
3 [CALL ENDED]  
4 SHVARTSMAN: (U/I).  
5 [OVERLAPPING VOICES]  
6 IVESON: So, what's your cut?  
7 SHVARTSMAN: Don't wait for the bank then. So, here's  
8 what happens. So, they call the companies,  
9 the companies say yeah, we sold equity to  
10 the company. They say it, okay, fine. Then  
11 they -- so what do they do next. They sold  
12 equity to the company. Now, so they know,  
13 let's say they go after assets. Oh, there's  
14 a condo in Sunny Isles. There's a boat that  
15 it's owned by it. So, they're going to know  
16 all that. Right.  
17 IVESON: Yeah.  
18 SHVARTSMAN: I'm not hiding anything.  
19 IVESON: Right.  
20 SHVARTSMAN: They know, if they want.  
21 IVESON: There's substantial assets and it's hard to  
22 conceal your relationship with those assets.  
23 SHVARTSMAN: Yeah. They know. Right. So, they're going  
24 to know. If they actually do the research,  
25 they're going to figure out who 1:50:45

1 about Michael. They're going to know.

2 Right. It's not -- you can't hide this

3 shit. Right. So, then they're going to go

4 out, let's say then, they're going to, you

5 know, okay, well here are the assets.

6 They're not owned by Michael. They're owned

7 by this trust. Let's try to make a claim

8 against the trust. So, they're going to run

9 into court, as an example. Right. And

10 they're going to go hey, we want to seize

11 these assets. I'm talking like --

12 IVESON: Yeah, yeah.

13 SHVARTSMAN: Right. They're going to court and they're

14 going to say let's seize everything and

15 figure out everything after. So, that's

16 what we're going to do. Right.

17 IVESON: Which is what they usually do.

18 SHVARTSMAN: Right. Right. So, they're going to run

19 into court. They're going to seize this,

20 seize that, you know, seize everything they

21 can. But they know the shares are owned by

22 the trust. They know the boat is owned by

23 the trust. They know the apartment is owned

24 by the trust. Right.

25 IVESON: Right.

1 SHVARTSMAN: Now, we can update the apartment, so it's  
2 not owned by the trust anymore. But they  
3 know this shit. And we can update the  
4 ownership of the boat. But it's not no  
5 longer owned by the trust, it's owned by  
6 this Belize company.

7 IVESON: That's right.

8 SHVARTSMAN: So, we can do that stuff. But they're going  
9 to go try to get their hands on everything.

10 IVESON: But actually, Mike, to that exact point that  
11 you raise, the observation that you bring  
12 up, it's absolutely valid when they say  
13 okay, let's look at the boat. Okay. Your  
14 position is going to be well, we sold it  
15 off. You know. It -- my dad's company  
16 bought it. You know, or actually, you're  
17 going to say you sold it off to some company  
18 that, you know, may be a Hong Kong company,  
19 or you know, Singapore company that --

20 CS: Yeah.

21 IVESON: -- Steve has, that bought it. Hey, here it  
22 is, here's the transaction documentation,  
23 Mike Park, you know, worked on the sale  
24 with, you know, Steve's attorneys. And  
25 there it all is, all documented, and yeah, I

1 mean, they could if they did the research,  
2 they might be able to find out that your  
3 dad, through his Belize, LLC, ended up  
4 buying the boat off of Steve. They probably  
5 won't, at least not for things like a boat.  
6 And for the SEC, I think a single  
7 intermediary is probably more than enough.  
8 I mean, if it were DEA, then you know, a  
9 double intermediary, you know, the double --  
10 CS: Yeah, yeah.  
11 IVESON: -- the normal course. But for SEC, a single  
12 blind is adequate.  
13 CS: No. I always say that one braces at the end  
14 of the day, and --  
15 SHVARTSMAN: So, I mean, listen, whether it's a single or  
16 a double, it's the same paper with different  
17 company names on it.  
18 IVESON: You know, when we do double it --  
19 CS: Yeah.  
20 IVESON: -- won't reduce a double blind --  
21 CS: Yeah.  
22 IVESON: -- where normally, we're pairing off  
23 jurisdictions against each other, you know,  
24 we often use jurisdictions like Hong Kong,  
25 Singapore, because they're tax neutral.

1 They're reputable jurisdictions. Nobody is  
2 curious about a company in Hong Kong that  
3 buys a yacht. Everybody's curious about a  
4 company in Nevis that buys a yacht. So,  
5 when we do the double blind, we might use a  
6 jurisdiction like Hong Kong or Singapore,  
7 where it's hard for the SEC to get  
8 information but it's not impossible. But  
9 the double blind that says okay, that Hong  
10 Kong company then laid off the contract to  
11 Belize or Nevis, or a Cook Islands company.  
12 Now, the SEC runs into a roadblock. Unless  
13 they can provide a criminal case, they have  
14 no access to the documentation, the  
15 regulator's going to tell them can't help  
16 you there. That ends the inquiry.

17 SHVARTSMAN: What if there is a criminal case?

18 IVESON: If there's a criminal case, then what we  
19 really have to show is that your father paid  
20 (U/I) value for these assets. And our  
21 objective, whenever we work on these  
22 transactions is to try to build that record.

23 SHVARTSMAN: Yeah, but nobody -- so my father can't write  
24 a check, and the problem is --

25 IVESON: That's right.

1 SHVARTSMAN: -- if he wrote the check, the money would  
2 have to go back to the trust anyways.  
3 IVESON: That's right.  
4 SHVARTSMAN: Right. So, my father can't --  
5 IVESON: I'm glad you raised that point. So, let's  
6 talk about that. Okay. Now just preparing  
7 for the worst.  
8 SHVARTSMAN: Yep.  
9 IVESON: Normally, we'd recommend then this  
10 transaction, you know, if you look at this  
11 diagram, you got a promissory note going  
12 back to the trust, but eventually, you  
13 probably would want to reduce that.  
14 SHVARTSMAN: Actually, that was the only one that was  
15 missing.  
16 IVESON: We normally --  
17 [BACKGROUND NOISE]  
18 IVESON: -- is to set the main account to the trust.  
19 Okay.  
20 SHVARTSMAN: For this trust --  
21 IVESON: Yeah, that's right.  
22 SHVARTSMAN: This trust or my trust?  
23 IVESON: For that trust.  
24 SHVARTSMAN: Any trust. Yeah. Okay.  
25 IVESON: And the idea is that okay, you use your

1 existing cashflow so that you can document  
2 payments that your father makes to the  
3 intermediary. So, if anybody asks, well,  
4 you know, did you dad pay for this? Yeah,  
5 yeah, there it is. There's the  
6 documentation. He actually paid the Hong  
7 Kong company for that boat. Okay. Now what  
8 they don't see is that the Hong Kong company  
9 that writes it off into a trust bank  
10 account. And that bank account is  
11 established in a jurisdiction where absent a  
12 judgment from a Nevis court, they're not  
13 going to give that money to any inquiring  
14 president. You know, in that (U/I). So,  
15 that's proven pretty effective in criminal  
16 cases as well.

17 SHVARTSMAN: So, then what happens? So, who can -- he  
18 can draw his trust.

19 IVESON: He can draw his trust, but the bank account,  
20 that may be something different. Okay. It  
21 may be a trust account on which he's one of  
22 -- I think when you open up a bank account,  
23 you're putting a couple million dollars in  
24 it, you're going to add more than one  
25 trustee to this trust. You're document

1 already provides the mechanism to have that.  
2 So, you can have a committee of trustees.  
3 And then we can get multiple signatories,  
4 you might use a trustee in another  
5 jurisdiction. It could be another Caribbean  
6 jurisdiction, or you may use a second  
7 trustee, a trustee, you know, in a major  
8 western jurisdiction, but one where, you  
9 know, for example, it's a canvas issue. You  
10 know, they're not able, you know, the U.S.  
11 Government is not going to be like an  
12 influence over that foreign jurisdiction.  
13 But the point here is that when we go to do  
14 things like the bank account, we're working  
15 with you so that it is set up exactly the  
16 way that you want. If at the end of the day  
17 you say hey, look, under no circumstance am  
18 I going to trust Steve Davies, all right.

19 SHVARTSMAN: So, I just need --

20 CS: It's okay. Nothing personal, Michael.

21 IVESON: You know this well. You form an LLC sub  
22 underneath the trust, that someone you know  
23 and trust manages. And that's the person  
24 who is the signatory on that LLC bank  
25 account. So, again, you know, a



1 jurisdiction that's being asked, hey, the  
2 U.S. Government is coming in. They want to  
3 confiscate these assets. Show us the  
4 relationship. They can't show the  
5 relationship. Show us the judgment from the  
6 Nevis high court. They don't have a  
7 judgment. You know, in most jurisdictions  
8 outside the United States, that's the end of  
9 the story. And we count our victories in  
10 that space. You know, we have more  
11 victories in that space than anybody. So, -  
12 -

13 SHVARTSMAN: Okay. I mean, doesn't the fact that you can  
14 open bank accounts like for managers who  
15 control them, okay, we're good.

16 IVESON: Yes.

17 SHVARTSMAN: So, let's get started on this.

18 IVESON: Okay.

19 SHVARTSMAN: We can do this. That's easy.

20 IVESON: All right.

21 SHVARTSMAN: In the meantime, I think what we're going to  
22 do is, I mean, we can pick the day. We can  
23 -- I can move, like I'll give an example.  
24 Let's say it's a million and a half.

25 IVESON: Okay.

1 SHVARTSMAN: We can move that million and a half into the  
2 11 as an investment.

3 IVESON: Okay. Yeah. It's a subsidiary of the  
4 trust, so you can do that right now. It  
5 wouldn't be an investment, it would be a  
6 capital contribution.

7 SHVARTSMAN: No. I'm talking about -- I'm not talking  
8 about the 11 --

9 IVESON: Oh, not the U.S. Virgin Islands, LLC.

10 SHVARTSMAN: U.S. Virgin Islands, LLC, I mean, I can move  
11 it to the U.S. Virgin Islands, LLC, and U.S.  
12 Virgin Islands, LLC can move it to actually  
13 11.

14 IVESON: Okay. The 11, you're talking about the 11  
15 funds.

16 SHVARTSMAN: Yeah. The 11 fund.

17 IVESON: Okay. Well, the 11 fund is a subsidiary of  
18 Rocket 11, which is owned by the trust. You  
19 can make a direct transfer from the trust to  
20 the 11 fund --

21 SHVARTSMAN: The fund --

22 PARK: It's a separate entity. Yeah.

23 SHVARTSMAN: Separate, it's not (U/I). The 11 fund is --

24 IVESON: You're a member of the 11 fund. Right?

25 SHVARTSMAN: Yeah. That's right.

1 IVESON: Yeah. So, you can do it direct.

2 SHVARTSMAN: What do we do about like Rocket Management,  
3 where I need to pay -- not Rocket, the out  
4 charters, Rocketship Management, when we  
5 need to pay bills and stuff. What do we do  
6 with Rocket?

7 IVESON: Okay. So, glad you asked. So, you have a  
8 bank account right now set up for that  
9 purpose.

10 SHVARTSMAN: Yep.

11 IVESON: It's in the name of Rocket Management?

12 SHVARTSMAN: Rocketship Management, yeah.

13 IVESON: Okay. So, question is what do you want to  
14 do long term with the yacht. I mean, it  
15 would change the ownership of the yacht over  
16 to the Belize, LLC, presumably, if you do  
17 that, so let's say one of these is the yacht  
18 --

19 SHVARTSMAN: I mean, so let me ask a question. On the  
20 title of -- we're using the yacht as an  
21 example.

22 IVESON: Yeah.

23 SHVARTSMAN: On the title, the title here, the title of  
24 the yacht should change to here and then to  
25 here.

1 IVESON: Yeah. You had mentioned that the --  
2 SHVARTSMAN: Or not.  
3 IVESON: Well, you mentioned that the yacht is owned  
4 by --  
5 SHVARTSMAN: Marshall Island.  
6 IVESON: Marshall Island Company. Okay.  
7 SHVARTSMAN: Yes.  
8 IVESON: Okay. So, it's very simple.  
9 SHVARTSMAN: On, no. Just Marshall Island Company would  
10 have to trade hands.  
11 IVESON: So, what happens is the stock in Marshall  
12 Islands Company gets transferred to the  
13 intermediary, who -- this is all back to  
14 back.  
15 SHVARTSMAN: Yeah.  
16 IVESON: Just like we're here at the table today,  
17 that paperwork then gets transferred down  
18 here so that the Marshall Islands entity  
19 becomes the subsidiary of Belize, LLC.  
20 SHVARTSMAN: That's fine.  
21 IVESON: And then the Belize, LLC can open up an  
22 account, or you can have another LLC  
23 underneath Belize, LLC that's here in the  
24 U.S. that opens up a bank account. That  
25 won't be a problem. I have a couple of

1 banking relationships. They'll be able to  
2 get accounts open for you. Not a problem.  
3 So, it's all seamless. You'll be able to  
4 continue to do exactly what you're doing,  
5 but you will no longer be the owner. You'll  
6 be able to testify under oath.

7 SHVARTSMAN: I'm not going, and I'm not the trustee  
8 anymore.

9 IVESON: You're not the trustee anymore. And if they  
10 were to drill down, if they ask the right  
11 questions, they might -- they probably  
12 won't, but they might find out that you're  
13 the protector of the private trust company,  
14 but as you've seen from the documentation,  
15 we've talked about it quite extensively,  
16 your powers as a protector are negative  
17 powers. You can't force Steve to do  
18 anything. You just -- he can't do anything  
19 without your permission.

20 SHVARTSMAN: Well, he can. But I'd have to kill him.

21 CS: That's the second time he said he's going to  
22 kill me.

23 SHVARTSMAN: I don't fuck around.

24 IVESON: Yeah. Well practically speaking, what would  
25 happen if we thought there was something

1 seriously confronting --

2 SHVARTSMAN: Yeah.

3 IVESON: Okay. Or your personal freedom is at  
4 jeopardy or your concerned about a court  
5 order that could kind of locking you up.

6 [PHONE RINGING]

7 SHVARTSMAN: Sorry.

8 IVESON: What we would recommend is that you resign  
9 as the protector in favor of a family member  
10 outside of the United States.

11 SHVARTSMAN: Yeah, my dad, for example.

12 IVESON: Your dad would be a great alternative for  
13 that.

14 SHVARTSMAN: Right. Yeah. So, the next question is  
15 let's talk about -- I think I understand  
16 this. Let's move forward with it. I mean,  
17 we're good. So, the next question I have is  
18 I think we're good for what I'm going to  
19 bring up to you. Let's say, God forbid  
20 again, my wife wants a divorce tomorrow.

21 IVESON: Okay.

22 SHVARTSMAN: So, we want to believe this would protect  
23 from her as well, because I don't have any  
24 kids so --

25 IVESON: Okay. So, glad you asked that.

1 SHVARTSMAN: Oh, wait, there's more.

2 IVESON: Yeah, if you bring up somebody else it's  
3 okay, well then.

4 [OVERLAPPING VOICES]

5 IVESON: No. The truth of the matter is I've seen it  
6 all.

7 SHVARTSMAN: Yeah.

8 IVESON: I have seen it all. So, I'm glad you asked  
9 about divorce. So, there are two aspects to  
10 divorce proceedings. One is, you know, the  
11 pure power of possession that we have  
12 through this trust. And the other is the  
13 actual proceedings in the State of Florida.  
14 So, bear with me on this.

15 SHVARTSMAN: Hold on a sec.

16 IVESON: Under these trust agreements, your wife is a  
17 beneficiary of the trust.

18 SHVARTSMAN: Under the MG Family Trust.

19 IVESON: That's right.

20 SHVARTSMAN: Yeah, she is.

21 IVESON: Okay. It's a discretionary trust. She's  
22 not entitled to anything. It's only if the  
23 trustee decides to make a distribution, and  
24 even then under the terms of this trust  
25 agreement, which I think Michael Rosenblum

1 had designed it.

2 SHVARTSMAN: Yeah.

3 IVESON: He has put in there language that the  
4 trustee can choose to give money to Michael,  
5 but not to Alexandra. You know, so there's  
6 that. Okay.

7 SHVARTSMAN: But I thought, but that's going away because  
8 --

9 IVESON: Well, no. That trust will still be there.

10 CS: It's --

11 SHVARTSMAN: We're moving that trust to Nevis.

12 IVESON: Okay. Now the Belize, LLC is completely  
13 detached from all that.

14 SHVARTSMAN: So, okay, just so I'm clear. So, we're  
15 taking an existing trust, we're moving it  
16 Nevis. Right. I'm coming off of it and  
17 he's becoming the new trustee on the trust.

18 IVESON: Right.

19 SHVARTSMAN: And I'm the protector of the trust company  
20 that owns the trust.

21 IVESON: That's right.

22 SHVARTSMAN: Is that what we're doing?

23 IVESON: Yep. So, but now the assets will all be in  
24 the Belize, LLC, which presumably would be  
25 owned by your dad.



1 SHVARTSMAN: And we haven't opened the Belize LLC's yet.

2 IVESON: No.

3 SHVARTSMAN: All right.

4 IVESON: That's the next step. The -- but now going  
5 back to the divorce question. So, the truth  
6 of the matter is she's entitled to nothing  
7 under the terms of the trust agreement, you  
8 would be able to remove her as a  
9 beneficiary. You'd be able to exclude her  
10 as a beneficiary. So, if you want to knock  
11 her off of the trust, you absolutely can.  
12 And her lawyers can pound the table all they  
13 want, but the reality is in Nevis, they'll  
14 get nowhere. Okay. I've been there, I've  
15 been through all of this with countless  
16 clients. Okay. Not a single time has any  
17 divorce lawyer been able to get assets of  
18 one of these trusts outside of the United  
19 States in a divorce proceeding. Now that  
20 said, what the Judge will do in Florida is  
21 say Michael, look, you're not fooling  
22 anybody. You got this, you know, you have  
23 buildings, you have yachts. You have this  
24 network. I'm not buying for a second that  
25 your dad owns all this. You know, it'll all

1 be documented, and your lawyers will push  
2 back hard and say Your Honor, you can't say  
3 that. You know, he did sell to his dad.  
4 But the point is the Judge can say hey  
5 Michael, you know what, I'm not going to  
6 grant the divorce until you come up with a  
7 more meaningful property settlement. So,  
8 you have the absolute right to tell your  
9 wife to buzz off. Okay. But you may not  
10 get your divorce decree until you reach a  
11 settlement with her. In our experience,  
12 that's what happens. The lawyers read the  
13 writing on the wall. They go to her, and  
14 they say Alexandra look, we tried. And you  
15 know, and unless you have billions of  
16 dollars in cash sitting in the bank to fund  
17 years of litigation here and overseas, we're  
18 telling you right now your best shot is to  
19 take Michael's offer.

20 SHVARTSMAN: Okay. That's what I figured.

21 IVESON: Okay. Any other questions?

22 SHVARTSMAN: No. But you know, yeah, actually, I do have  
23 a question. Not about this. Earlier I  
24 asked you guys because here's the thing, I  
25 don't want, we've got a great business,

1 we've got great investments, I just want to  
2 keep doing what I'm doing. The last thing I  
3 want to do is and need is any headaches.  
4 Right.

5 IVESON: Okay.

6 SHVARTSMAN: So, the reason I bring this up is the phone.  
7 Yes, I have a contact, yes, we open up bank  
8 accounts. Yes, if I'm going to ask my  
9 friends to do stuff, I want to get paid for  
10 it.

11 IVESON: Yep.

12 SHVARTSMAN: All right. So, but I don't want to have any  
13 headaches and problems with it because I  
14 don't need any heat.

15 IVESON: Understood.

16 SHVARTSMAN: Just completely transparent. All right.  
17 So, I can -- now, for example, let's say  
18 you've got somebody in Russia, or let's say  
19 the Ukraine, fuck Russia. You got someone  
20 in the Ukraine. He wants a bank account.

21 IVESON: But you're okay with Russians, right?

22 SHVARTSMAN: Yeah, yeah, I work with Russians.

23 IVESON: Because I mean --

24 SHVARTSMAN: My wife's Russian.

25 IVESON: Yeah, no, I mean I have --

1 [OVERLAPPING VOICES]

2 SHVARTSMAN: -- every night.

3 IVESON: Yeah. I mean I have Russian clients who  
4 will want this service if I -- and the price  
5 is right.

6 SHVARTSMAN: Yeah. So, here's my question. My question  
7 is you got a client, we'll use Russia, you  
8 have a client in Russia. He's got \$10  
9 million. Okay. In cash.

10 IVESON: Yep.

11 SHVARTSMAN: Because they can't wire money anyway either.

12 IVESON: That's right.

13 SHVARTSMAN: Okay. So, they got \$10 million in cash. I  
14 give you the name of somebody in Russia that  
15 he can get -- you can test it out, 100  
16 grand, 500 grand, do it slowly, whatever.

17 IVESON: Yep, right.

18 SHVARTSMAN: So, he'll have \$10 million and worry about  
19 getting robbed. So, he gives somebody cash.  
20 Let's call it \$10 million. And then  
21 somebody wires him money to the account in  
22 Dominica. All right. \$10 million. Now,  
23 what's happening, completely transparent is  
24 that guy from Europe somewhere, who's wiring  
25 this money is getting \$10 million in cash,

1 as you know./=

2 IVESON: Yep.

3 SHVARTSMAN: Okay. And what he's doing is on his books,  
4 he's expensing that \$10 million.

5 IVESON: That's right. That's --

6 SHVARTSMAN: He's creating an invoice that he sold  
7 fucking, I don't know, sell (U/I).

8 IVESON: Yeah, yeah, yeah.

9 SHVARTSMAN: Whatever it is.

10 IVESON: Yeah.

11 SHVARTSMAN: Whatever business they happen to be in.

12 Okay. That they bought a product and a  
13 service from this company. Okay. Is that  
14 money laundering?

15 IVESON: You're asking me?

16 SHVARTSMAN: Yeah. You're a lawyer. Because I don't  
17 want to be involved in, you know, anything  
18 like that.

19 IVESON: Well, you know, money laundering, you're  
20 trying to --

21 SHVARTSMAN: I'm asking you.

22 IVESON: You're trying to conceal proceeds.

23 SHVARTSMAN: I mean, money laundering is taking dirty  
24 money and cleaning it. That's what money  
25 laundering is.

1 IVESON: Yeah, that's right.

2 SHVARTSMAN: So, I guess it could be money laundering if  
3 the money was from crime that they then, you  
4 know, get \$10 million in cash because they  
5 sold drugs. Right. Then it could be money  
6 laundering.

7 CS: I suppose it would have to be proven what  
8 those funds related to in the first place.

9 IVESON: Yeah. Well, I mean the thing is my opinion  
10 would have no authority, you know, vis-à-vis  
11 you know, the U.S. Government. I think --

12 SHVARTSMAN: Not a legal opinion.

13 IVESON: Yeah.

14 SHVARTSMAN: We're just talking, we're just having a  
15 conversation.

16 IVESON: You know. I think the challenge would be  
17 okay. So, who -- you have to have proceeds  
18 of a crime, in that you have to try and  
19 conceal the proceeds of the crime by putting  
20 them through the series of transactions.  
21 So, I would go back to, okay, who is this  
22 Russian national, and where did they get  
23 their funds from. I mean --

24 SHVARTSMAN: Well, here's what's going to happen --

25 IVESON: If the problem there is the quality of due

1 diligence of Russia, as you know, I'm sure  
2 you've done business there, I would think  
3 you would have, but in any event --

4 [BACKGROUND NOISE]

5 SHVARTSMAN: -- a criminal background check for two days  
6 in Russia, today.

7 IVESON: Yeah, yeah. And so, it's easy in some of  
8 these jurisdictions like Russia to get an  
9 automated report from the government. It's  
10 hard, though, to get information outside of,  
11 you know, strict channels of communication  
12 there.

13 SHVARTSMAN: I guess what I'm -- okay. So, your client  
14 sets up a company. Right. Let's walk  
15 through the process. Your client sets up a  
16 company in wherever the fuck. Okay.

17 [BACKGROUND NOISE]

18 SHVARTSMAN: -- in Nevis, wherever. Sets up a company.  
19 You call me up. And you're like hey,  
20 Michael, we've got a client. He needs to  
21 send \$10 million. Let's say he already has  
22 \$10 million somewhere, he needs to wire it  
23 to the bank. The bank's going to say -- I'm  
24 going to say okay, I'm going to tell you,  
25 hey, you know what, I'm going to set up this

1 relationship. I'm going to do the  
2 interaction. I want (U/I). Okay. Then I'm  
3 going to send an email, make a phone call,  
4 it'll be my signal, telegram, chat,  
5 whatever. I'm going to say hey, go to this  
6 bank, show them all the information. Just  
7 like normal. Your company information, the  
8 ID, the official owner, just like any  
9 standard application. They're going to do  
10 that. Okay. The bank is going run KYC,  
11 OFAC sanctions, all that kind of stuff.  
12 Now, if the guy is clean, the next thing  
13 they're going to say is source of funds.  
14 Right. So, the guy is going to have to  
15 prove where the source of funds came from.

16 IVESON: That's right.

17 SHVARTSMAN: Can your clients prove the source of funds?

18 IVESON: They'll always provide that.

19 SHVARTSMAN: Okay. Fine.

20 IVESON: All of that information is reliable. I  
21 mean, you know, we try to vet it as best we  
22 can.

23 SHVARTSMAN: But that's not your job. What I mean is  
24 that's the feds job.

25 IVESON: It's the feds job and in, you know, the



1 thing is, I don't know Russian law in this,  
2 but my assumption is that anybody doing this  
3 in Russia, they're at least trying to evade  
4 a Russian legal obligation, prohibition on  
5 transfers, but if it's strictly a commercial  
6 issue that they can't physically wire the  
7 money out, then to me, I don't, you know,  
8 that's not an issue. That's not money  
9 laundering.

10 SHVARTSMAN: Yeah. Okay. That's fine. But what I'm --  
11 so let's walk through what I just said. So,  
12 we've done that, they open a company, I tell  
13 them here, go to this link. When you submit  
14 the application let me know. Right.

15 IVESON: Okay.

16 SHVARTSMAN: They let me know. I make a phone call. I'm  
17 like hey, this is a friend, you know, you  
18 got to take care of this person. Right. As  
19 long as they submit all the proper  
20 documentation, I'll make a phone call, the  
21 account's going to get open.

22 IVESON: Let's talk pragmatics here.

23 SHVARTSMAN: That's not real life.

24 IVESON: What's the minimum size transaction that you  
25 would be interested in?

1 SHVARTSMAN: It doesn't matter, like whatever.

2 IVESON: Well, I mean --

3 SHVARTSMAN: A million bucks.

4 IVESON: You know, you're -- technically, you're

5 taking a risk any time you do this.

6 SHVARTSMAN: Yeah, of course. Of course.

7 IVESON: So, I can't imagine that you're going to do

8 this for small amounts of money.

9 SHVARTSMAN: I might do it for -- yeah. So, what --

10 IVESON: Okay. So, a million bucks.

11 SHVARTSMAN: Here's the thing. The 50 grand I don't care

12 about. Right.

13 IVESON: Okay.

14 SHVARTSMAN: The only reason I'd say a million bucks is

15 because most people aren't going to just

16 wire, you know, \$100 million or \$10 million

17 without trying it out.

18 IVESON: Yeah. That's right. Yeah, no that -- yeah.

19 The assumption is hey, we're not going to

20 waste your time unless somebody's committed

21 to this program and they want to at least

22 send a million dollars, then they test it

23 out for 100,000, but the idea is that if

24 that works, then they commit to sending the

25 remaining 900,000, so that they top up to a

1 million.

2 SHVARTSMAN: No, I mean the million dollars to me, to me  
3 that's like the minimum, meaning -- like  
4 they can start with you guys, they can start  
5 100 grand, but even a million bucks is not  
6 worth anybody's, you know, it's not worth my  
7 time.

8 IVESON: Is there a maximum amount that --

9 SHVARTSMAN: No. There's no maximum. For me, this is  
10 somebody that wants like, I think that if  
11 you've got a million dollar problem, you  
12 don't have a problem.

13 IVESON: Yeah.

14 SHVARTSMAN: Right.

15 IVESON: Just write the check.

16 SHVARTSMAN: No. What I'm saying is you're doing --  
17 going through this for a million dollars,  
18 you're not doing it because a million  
19 dollars is finding cash in your pocket.

20 IVESON: Yeah.

21 SHVARTSMAN: And you just spend and live your life.

22 IVESON: Right.

23 SHVARTSMAN: Right. So, people that are doing, that need  
24 this help, it's not because they need help  
25 for a million dollars.

1 IVESON: Okay. We say the same thing in asset  
2 protect, we say, you know, under \$5 million,  
3 between you and your wife, you're going to  
4 figure out a way to spend it pretty quickly.  
5 SHVARTSMAN: Yeah. So, it's not for -- it's not a  
6 solution for a person that has a million  
7 dollars is what I'm getting to.  
8 IVESON: I follow you.  
9 SHVARTSMAN: So, --  
10 IVESON: Yeah. Just I had to ask.  
11 SHVARTSMAN: Yeah.  
12 IVESON: You know, but I'm with you on that.  
13 SHVARTSMAN: So, what I'm saying to you is if you call me  
14 up and you're like hey, this guy's got a  
15 million dollars, and he wants to do it and  
16 that's all he's got. Not interested is what  
17 I'm saying.  
18 IVESON: In the bank of Dominica, do you know who  
19 they're using as a correspondent?  
20 SHVARTSMAN: They got correspondents everywhere.  
21 IVESON: Okay.  
22 SHVARTSMAN: They got U.K., they got, you know, U.S.,  
23 obviously Euro.  
24 IVESON: Yeah. And --  
25 SHVARTSMAN: Because their correspondents --

1 IVESON: I think it'll hold up how sterling U.S.  
2 Dollars --  
3 SHVARTSMAN: Euro.  
4 IVESON: And Euros. Okay. Yeah, because that, you  
5 know, for our clients, that would be the  
6 issues. You know, they're not going to be  
7 keen to work with a Dominican bank, but you  
8 know, we can tell them yeah, but this bank  
9 has a correspondent relationship. So, your  
10 money really won't be seen in Dominique --  
11 SHVARTSMAN: It won't be seen --  
12 IVESON: -- it will be seen with the Federal Reserve.  
13 SHVARTSMAN: Yeah, it is. It's not sitting in Dominica,  
14 obviously. There's no money sitting in  
15 Dominica.  
16 IVESON: Yeah.  
17 SHVARTSMAN: Right. It's all correspondents.  
18 IVESON: Yeah.  
19 SHVARTSMAN: And the reason they -- Dominica, they're  
20 going to do whatever they want. Right.  
21 More or less. So, it's really the  
22 correspondent's going to ask -- be asking  
23 the questions.  
24 IVESON: Okay.  
25 SHVARTSMAN: That you have to have an answer for.

1 IVESON: The bank in Dominica, they're used to  
2 working with Russian clients. I mean --  
3 [OVERLAPPING VOICES]  
4 SHVARTSMAN: The owner's Russian.  
5 IVESON: Okay. So, that's a huge (U/I). Yeah. He  
6 lives in Russia?  
7 SHVARTSMAN: He lives here.  
8 IVESON: Okay. Okay.  
9 SHVARTSMAN: He lives on Fisher Island.  
10 IVESON: Oh, really. Okay.  
11 SHVARTSMAN: Yeah. He lives here.  
12 [BACKGROUND NOISE]  
13 SHVARTSMAN: And yeah, he lives here.  
14 IVESON: That's great.  
15 SHVARTSMAN: Yeah.  
16 IVESON: Good for him. So, how long has he owned the  
17 bank?  
18 SHVARTSMAN: If I told you an answer, I'd have to (U/I).  
19 [BACKGROUND NOISE]  
20 IVESON: Steve, I'm sure with all the mutual clients  
21 that you have --  
22 CS: I'll just have another look. Here, just a  
23 minute.  
24 [BACKGROUND NOISE]  
25 IVESON: -- extremely useful.

1 CS: Absolutely. No, absolutely.

2 IVESON: Yeah, I think --

3 [OVERLAPPING VOICES]

4 IVESON: I got some stuff there, you know, I could  
5 send it to you, you know.

6 [BACKGROUND NOISE]

7 SHVARTSMAN: And yeah, I was very --

8 [BACKGROUND NOISE]

9 SHVARTSMAN: He's the kind of guy that needs to build a  
10 relationship, and (U/I) Dominica.

11 [BACKGROUND NOISE]

12 CS: A great guy to know.

13 IVESON: Yeah, yeah. No, that's --

14 CS: Yeah.

15 IVESON: Those could be best friends. You know, it's  
16 --

17 [BACKGROUND NOISE]

18 IVESON: You mentioned earlier about this  
19 relationship. And to me, you know, again,  
20 you know, my observation is always the same  
21 that most clients have, which is well, who  
22 really wants to keep the money and --

23 [BACKGROUND NOISE]

24 IVESON: You know, I've owned banks in the Cook  
25 Islands. And I've always told patient then,

1 Cook Islands doesn't --

2 [BACKGROUND NOISE]

3 IVESON: -- all currency.

4 SHVARTSMAN: Yeah.

5 IVESON: So, you know, Dominica is part of the

6 Eastern Caribbean Central Banking system.

7 I've worked with them quite extensively.

8 It's a reliable institution. It's expensive

9 to transact (U/I) they have to convert, but

10 here, you wouldn't even have that issue.

11 SHVARTSMAN: Unless they have -- so he's going -- he can

12 issue -- he's a --

13 [BACKGROUND NOISE]

14 SHVARTSMAN: He can issue cards, Mastercards and --

15 [BACKGROUND NOISE]

16 SHVARTSMAN: -- but if Dominica issues (U/I). All right.

17 So, (U/I) pay, you can use pretty much

18 anywhere. You can use them at any, pretty

19 much any store because, you know, everybody

20 wants them. There might be --

21 [BACKGROUND NOISE]

22 SHVARTSMAN: Right.

23 IVESON: Yep.

24 SHVARTSMAN: Or I walk in Chanel or whatever, no problem.

25 Right. You can use that anyway a Discover



1 card is taken in the U.S., for example.

2 IVESON: Okay.

3 SHVARTSMAN: And yeah, and that's it.

4 IVESON: No, this is amazing. And let's talk about

5 clients from other jurisdictions because if

6 you can do this for Russians --

7 SHVARTSMAN: (U/I).

8 IVESON: Okay. Yeah, Chinese, he doesn't have an

9 issue with because he's not worried about

10 the relationship with China.

11 SHVARTSMAN: No.

12 IVESON: Okay.

13 SHVARTSMAN: no.

14 IVESON: So, he has Chinese clients.

15 SHVARTSMAN: If they ask him, he has Chinese clients, but

16 --

17 [OVERLAPPING VOICES]

18 IVESON: Yeah. I mean, I asked about China because

19 we get a lot of Chinese clients through --

20 [BACKGROUND NOISE]

21 SHVARTSMAN: Yeah.

22 IVESON: Because we have that passport program, and

23 they love that.

24 SHVARTSMAN: See that answers -- yeah, no problem.

25 IVESON: In western countries, you know, he doesn't

1                   have an issue like let's say I have a client  
2                   in France, high tax jurisdiction. Wants to  
3                   move his cash through there, he can do that  
4                   as well. Okay. Well, I think we're going  
5                   to be doing a lot of business.

6 SHVARTSMAN:     For sure. He is not going to --

7 [BACKGROUND NOISE]

8 SHVARTSMAN:     And I'm not going to get --

9 [BACKGROUND NOISE]

10 IVESON:           Yeah.

11 SHVARTSMAN:     All we're doing is, I make sure (U/I) he's  
12                   got a bank, it's, you know, we got hundreds,  
13                   and hundreds, and hundreds --

14 [BACKGROUND NOISE]

15 SHVARTSMAN:     -- for his clients. And he's going to go to  
16                   KYC. He's going to go through sanctions.  
17                   He's --

18 IVESON:           Sure.

19 [OVERLAPPING VOICES]

20 IVESON:           Yeah. He's got to do his job.

21 SHVARTSMAN:     He's going to do his job. His (U/I) do his  
22                   job. They can ask the source of funds.  
23                   Whoever's going to -- you have to show the  
24                   source of funds. Maybe they sold a company,  
25                   maybe they got a loan from somebody. Maybe

1                   they got whatever. They're going to have to  
2                   show their source of funds.

3 [BACKGROUND NOISE]

4 SHVARTSMAN:     -- look at it. If it makes sense --

5 [BACKGROUND NOISE]

6 CS:               Goodness.

7 IVESON:           Sure. Now, we missed the chance there.

8 CS:               There was (U/I) mix in there.

9 SHVARTSMAN:     So, what I'm getting to is as long as  
10                   there's somebody in France wants to not pay  
11                   taxes in France, that's not his problem.  
12                   He's not doing anything illegal (U/I) is  
13                   what I'm saying.

14 IVESON:           No, no. Yeah, I mean, really, you know, --

15 [OVERLAPPING VOICES]

16 CS:               -- for you then.

17 IVESON:           Okay.

18 SHVARTSMAN:     He doesn't really know for sure.

19 CS:               There's a signature there for you, Mike.

20 [BACKGROUND NOISE]

21 SHVARTSMAN:     He doesn't know what they're doing or how  
22                   they're doing it, but you know.

23 IVESON:           No that makes perfect sense. So, and you  
24                   know, look, the way that I do business, the  
25                   way Steve does business, if you start doing

1 this, then everything that we do in this  
2 regard goes through you. Okay. We don't  
3 ever --

4 SHVARTSMAN: Try to --

5 IVESON: -- try to go around you, anything like that.  
6 There's too much money to be made in the  
7 things that we do. You don't need to be --

8 SHVARTSMAN: Like I know (U/I).

9 IVESON: So, yeah. He's going to be looking at the -  
10 -

11 [BACKGROUND NOISE]

12 IVESON: But and anyone else that we introduce that  
13 may -- well, let me ask you. You know, I  
14 have people in Russia who are always,  
15 they're --

16 [BACKGROUND NOISE]

17 IVESON: -- they used to work with the Swiss banks a  
18 lot, now they've been shut out of it. So, I  
19 think they would eat this up whole hog.  
20 Would you rather that they go through -- I  
21 don't need to be paid. Okay. But would you  
22 rather they go through me for your own  
23 protection, or --

24 [BACKGROUND NOISE]

25 IVESON: Okay. That's fine. Say no more.

1 SHVARTSMAN: Yeah. I think basically you just tell me  
2 hey, Bob Smith, because you guys all know  
3 Bob Smith, right. Hey, Bob Smith, he wants  
4 that (U/I) account, I got everything ready  
5 to go.

6 [BACKGROUND NOISE]

7 SHVARTSMAN: Go to the website, and there's all kinds of  
8 fees on the website.

9 [BACKGROUND NOISE]

10 SHVARTSMAN: It doesn't get into that. What is in there  
11 doesn't matter.

12 IVESON: Understood.

13 SHVARTSMAN: So, what we'll do, actually, what we'll do  
14 is we'll do a special addendum, I'll make  
15 one out when we next meet.

16 IVESON: Okay.

17 SHVARTSMAN: So, they know exactly whatever it's going to  
18 cost them.

19 IVESON: Okay.

20 SHVARTSMAN: Okay.

21 IVESON: Understood.

22 SHVARTSMAN: You have a document, I'll literally have it  
23 for you next week. You'll have the  
24 document, and you can say here's what the  
25 costs are.

1 [BACKGROUND NOISE]

2 IVESON: Yeah. I'm going to check but I think we  
3 have this one client, Steve, I had you do  
4 some small work for the client, but I know  
5 he's been trying to get, I think it's about  
6 17 million out of Russia.

7 SHVARTSMAN: Out of Russia or the Ukraine?

8 IVESON: Out of Russia.

9 SHVARTSMAN: It's so fucking funny to say that. You want  
10 me to tell you why?

11 IVESON: Why?

12 SHVARTSMAN: Because a friend of mine is moving 17  
13 million out of Ukraine right now.

14 IVESON: Oh, okay.

15 CS: Spooky.

16 [OVERLAPPING VOICES]

17 IVESON: So, I didn't mean to spook you there.

18 SHVARTSMAN: No, not at all.

19 IVESON: Yeah, no but --

20 SHVARTSMAN: That's so funny.

21 IVESON: I know he's going to want to see an offer.

22 SHVARTSMAN: So, let me give you an example what just  
23 happened --

24 IVESON: Okay.

25 SHVARTSMAN: -- perfect timing. Right. So, my friends

1 in the Ukraine said hey, you know, we want  
2 to start --

3 [BACKGROUND NOISE]

4 SHVARTSMAN: -- on there. They can't send money out of  
5 the country.

6 IVESON: Sure.

7 [BACKGROUND NOISE]

8 SHVARTSMAN: -- real estate --

9 [BACKGROUND NOISE]

10 SHVARTSMAN: -- the bank, the money in the bank is less,  
11 you know, they're getting robbed and --

12 [BACKGROUND NOISE]

13 SHVARTSMAN: -- in the Ukraine. So, we said it's no  
14 problem. So, we open a U.S. bank account  
15 for them. Haven't opened Dominica yet. So,  
16 a U.S. bank account, and ready to accept the  
17 wire.

18 IVESON: Did you have trouble opening up the U.S.  
19 bank account?

20 SHVARTSMAN: No.

21 IVESON: That's great.

22 [BACKGROUND NOISE]

23 SHVARTSMAN: So, anyways, we open up the bank account,  
24 and again, we provide identification, the  
25 bank gets KYC and OFAC. It's --

1 IVESON: It's your bank account.

2 SHVARTSMAN: There's nothing wrong with opening a bank  
3 account. Now, if you walk into Chase and  
4 you say hey I'm a Ukrainian national and I  
5 want to open a bank account here, and I'm  
6 not here, you're talking about 0 for 40.

7 IVESON: Yeah.

8 SHVARTSMAN: And you tell him you want to wire \$10  
9 million, they're going to fucking have a  
10 heart attack and not take your money, and  
11 you have all kinds of --

12 [BACKGROUND NOISE]

13 SHVARTSMAN: We solved all that.

14 IVESON: Okay.

15 SHVARTSMAN: None of that happened.

16 IVESON: Okay.

17 SHVARTSMAN: So, the thing is, so yesterday, last night,  
18 he actually has a good friend, who's also my  
19 good friend, lives in my building. So, last  
20 night, he calls me and he's like hey, I want  
21 to talk to you a minute. He says I know the  
22 account's set up, but the problem is these  
23 guys in Europe that wired the funds from,  
24 they don't want to wire to an individual.

25 IVESON: Because they can't take the individual



1 deduction for tax purposes.

2 [BACKGROUND NOISE]

3 SHVARTSMAN: And they don't want to wire individuals.

4 IVESON: Okay.

5 SHVARTSMAN: So, now it's like -- now they have to set up  
6 a fund --

7 [BACKGROUND NOISE]

8 SHVARTSMAN: Right here, and then they (U/I) I got to  
9 figure out some other way to help.

10 IVESON: Right.

11 SHVARTSMAN: So, yeah. So, it has to be --

12 [BACKGROUND NOISE]

13 IVESON: Yeah, yeah. Well, yeah. It sounds like  
14 probably what you ought to do is just use a  
15 company that's an intermediary.

16 [BACKGROUND NOISE]

17 IVESON: -- to the individual. Some company that you  
18 come up with that satisfies the foreign tax  
19 authorities.

20 [BACKGROUND NOISE]

21 SHVARTSMAN: -- the companies here. Right. It's a  
22 problem because if somebody wired \$10  
23 million, that's --

24 [BACKGROUND NOISE]

25 IVESON: Yeah.

1 SHVARTSMAN: The company, now you got incoming.  
2 IVESON: It depends if it's --  
3 [BACKGROUND NOISE]  
4 IVESON: You don't have that problem if it's  
5 overseas.  
6 SHVARTSMAN: Yeah, it's -- yeah, for sure.  
7 [BACKGROUND NOISE]  
8 SHVARTSMAN: -- wire \$10 million here, and then give it  
9 to an individual.  
10 IVESON: Yeah. Because that's one of the things that  
11 Steve, you and I have touched on, and I  
12 think we may have even discussed it in  
13 relation to Belize, LLC, that you know, it's  
14 way easier to open accounts here in the  
15 United States. Especially if your dad's a  
16 Canadian national. It's sometimes easier  
17 than opening --  
18 CS: And you're --  
19 IVESON: -- for Americans here.  
20 CS: I know.  
21 IVESON: But it would be very easy to open up some of  
22 these, you know, like for example, we got,  
23 you know, the Marshall Islands Company, have  
24 an affiliated company that opens an account  
25 here in (U/I) or something.

1 SHVARTSMAN: Let me ask you a question.

2 IVESON: Sure.

3 SHVARTSMAN: So, you got a -- here, use those -- one of

4 those U.S. Virgin Island companies as an

5 example.

6 IVESON: Okay.

7 SHVARTSMAN: U.S. Virgin Island company is owned by the

8 trust. Let's say (U/I). It's owned by the

9 trust.

10 [BACKGROUND NOISE]

11 SHVARTSMAN: My friend in the Ukraine wires \$10 million

12 to Rocket Holdings.

13 [BACKGROUND NOISE]

14 SHVARTSMAN: Right.

15 IVESON: Mm-hm.

16 SHVARTSMAN: So, Rocket Holdings doesn't pay taxes in the

17 U.S. Doesn't pay capital gains. But it

18 pays income tax for operating entities.

19 IVESON: That's right.

20 SHVARTSMAN: So, \$10 million comes in, Rocket Holdings

21 wires \$10 million to this person that just

22 opened a bank account. Tax ramifications?

23 IVESON: Well, so you're subject to --

24 [BACKGROUND NOISE]

25 IVESON: -- in the U.S. Virgin Islands, and they have

1 a parallel tax system to the U.S. And I  
2 assume that's the way you're recording it  
3 right now. You're filing local tax returns  
4 here in the U.S. Virgin Islands. So,  
5 really, it's a matter of would the USVI  
6 authorities question the income and the  
7 offsetting expense --

8 SHVARTSMAN: So, I'll tell you something. We haven't had  
9 any income. Meaning the --

10 IVESON: Right.

11 [BACKGROUND NOISE]

12 SHVARTSMAN: So, we have the MG that we trust, had a  
13 certain amount of money that it's in receipt  
14 for the liquidity event, and he comes in,  
15 that's the end.

16 IVESON: Okay.

17 SHVARTSMAN: This company here, you know, owns the U.S.  
18 Virgin Island subs, and this company made a  
19 bunch of different investments.

20 IVESON: Yep.

21 SHVARTSMAN: Okay. Then one of the subs, Rocket  
22 Holdings, borrows money from a company in  
23 Puerto Rico.

24 IVESON: Yep.

25 SHVARTSMAN: They borrow --

1 [OVERLAPPING VOICES]  
2 IVESON: Yes.  
3 SHVARTSMAN: All right. They borrow his money.  
4 IVESON: That's right.  
5 SHVARTSMAN: And then this company makes investments and  
6 does whatever it does.  
7 IVESON: Yeah, it's borrowing from its own -- I mean  
8 --  
9 SHVARTSMAN: Yeah.  
10 IVESON: -- it's the same chain of ownership.  
11 SHVARTSMAN: Yeah.  
12 IVESON: Yeah.  
13 SHVARTSMAN: But it's borrowing the money. Right. So,  
14 it's not income. So, --  
15 IVESON: Right.  
16 SHVARTSMAN: -- what I'm saying is, I'm just asking, so  
17 if this \$10 million comes in from offshore  
18 somewhere --  
19 IVESON: Yeah. The question is, is it a loan or is  
20 it something else?  
21 SHVARTSMAN: Right. So, if somebody (U/I) it's a loan,  
22 then it's a loan.  
23 IVESON: Yeah, usually the bank is the first to ask.  
24 SHVARTSMAN: Yeah.  
25 IVESON: What is this \$10 million.

1 SHVARTSMAN: Yeah.

2 IVESON: And you're showing them where you have an  
3 invoice, or you're showing them where you  
4 have a promissory note.

5 SHVARTSMAN: Yeah.

6 IVESON: One or the other. I mean, that's what I  
7 would expect the bank to do.

8 SHVARTSMAN: Yeah, it's true.

9 IVESON: And that really does touch on what Steve and  
10 his team, what they do so well, which is  
11 they help build up that documentation so  
12 that when the bank looks --

13 CS: It's stands up.

14 IVESON: -- they're not asking any questions.

15 SHVARTSMAN: All right. So, let's walk through this  
16 scenario that --

17 [BACKGROUND NOISE]

18 IVESON: I'm going to follow you, though.

19 CS: Cheers.

20 [BACKGROUND NOISE]

21 CS: I'm heading outside. I can, I'm coming back  
22 in a couple weeks.

23 SHVARTSMAN: Yeah.

24 CS: Yeah, put some (U/I) out. The weather's  
25 good. Far better than in the --

1 SHVARTSMAN: The U.K.?

2 CS: Yeah.

3 [BACKGROUND NOISE]

4 IVESON: Steve, you're going to be on time for the

5 airport?

6 CS: I'm not flying out today.

7 [BACKGROUND NOISE]

8 CS: How long will it take us from here?

9 IVESON: From here, not long at all. Probably 20

10 minutes.

11 CS: Perfect.

12 [BACKGROUND NOISE]

13 IVESON: Yeah. With that \$17 million transaction,

14 that would be amazing.

15 CS: Yeah.

16 IVESON: To run that through his facility.

17 CS: Absolutely.

18 [BACKGROUND NOISE]

19 SHVARTSMAN: Here you go.

20 CS: Cheers.

21 [BACKGROUND NOISE]

22 CS: No problem.

23 SHVARTSMAN: All right. So, all right. Okay. That's

24 it.

25 IVESON: I mean, basically, I would like to get a fee

1 proposal from you on a \$17 million  
2 transaction.  
3 SHVARTSMAN: Yeah, I'll have --  
4 IVESON: Yeah.  
5 SHVARTSMAN: That'll be for the (U/I), it'll be the same.  
6 IVESON: Okay. I appreciate that.  
7 [BACKGROUND NOISE]  
8 IVESON: Okay.  
9 SHVARTSMAN: Yeah. Anything else? Can I get a copy of  
10 the --  
11 IVESON: If you want a hard copy - yeah. I don't  
12 carry business cards --  
13 [OVERLAPPING VOICES]  
14 IVESON: -- in the United States. But --  
15 PARK: Can I give you my number?  
16 IVESON: Yeah. Give me your phone number and I'll  
17 send you my contact card right now.  
18 PARK: Okay.  
19 SHVARTSMAN: (U/I) United States.  
20 IVESON: No.  
21 PARK: We don't carry business cards either.  
22 IVESON: No, it's -- the purpose is I can't accept  
23 trust business here in the United States.  
24 We're not licensed as trust --  
25 [BACKGROUND NOISE]



1 SHVARTSMAN: Oh, okay.

2 [BACKGROUND NOISE]

3 SHVARTSMAN: All right. Just so I know, what's the next

4 steps?

5 CS: This will be registered probably Wednesday,

6 I'll say the end of next week.

7 SHVARTSMAN: Yeah.

8 CS: And then we will get together and come up

9 with a proposal for the option two we agreed

10 on, wasn't it? So, --

11 SHVARTSMAN: All right.

12 CS: So, yeah.

13 PARK: (818) [REDACTED] --

14 IVESON: You're in the valley.

15 PARK: Yeah. (818) [REDACTED].

16 CS: We'll get on that straight away, Michael.

17 SHVARTSMAN: And I'll introduce you guys. When this is

18 all set up, I'll introduce you to a bunch of

19 other people.

20 CS: Okay. Appreciate it.

21 [BACKGROUND NOISE]

22 IVESON: And again, thank you very much.

23 CS: Yeah. Very much appreciate it.

24 [OVERLAPPING VOICES]

25 IVESON: -- person after all this time.

1 SHVARTSMAN: Thank you.

2 IVESON: You know.

3 SHVARTSMAN: Thank you for the patience.

4 IVESON: No absolutely.

5 CS: No problem.

6 IVESON: It was a -- you know, I think here, we'll be

7 able to get this all done within a couple of

8 weeks. It doesn't take long.

9 SHVARTSMAN: No problem.

10 IVESON: You know, as I said before, we really set

11 the template with all the work that we did

12 on the private trust --

13 [BACKGROUND NOISE]

14 SHVARTSMAN: Thank you so much.

15 [BACKGROUND NOISE]

16 IVESON: I did, in case, in case --

17 [OVERLAPPING VOICES]

18 IVESON: We're going to be at my -- I was deployed

19 and when I saw rats ---

20 [BACKGROUND NOISE]

21 CS: -- looks like the board on My Beautiful

22 Mind.

23 IVESON: You know my 13-year-old does this, so yeah.

24 Whatever you're feeding him, it's working.

25 [BACKGROUND NOISE]

1 CS: Good to meet you.

2 HANNELIUS: Nice to meet you.

3 CS: Okay, Michael. We'll speak soon. See you

4 soon. I'm back in a couple of weeks

5 anyways. So, --

6 SHVARTSMAN: Yeah, we'll see you when you get back.

7 CS: Yeah. Will do. Great to meet you, Mike.

8 SHVARTSMAN: Great to meet you. Thanks.

9 CS: Always good to put a face to it. And we'll

10 see each other pretty soon.

11 SHVARTSMAN: I'm sure.

12 CS: I think once Monty gets talking, he just --

13 [BACKGROUND NOISE]

14 IVESON: You and I can take a look at the numbers and

15 see how they work.

16 CS: Absolutely.

17 IVESON: If it's going to work for the client, you

18 know.

19 CS: As I said to Michael --

20 IVESON: If it is what he says, it's going to

21 absolutely work for -- the client's going to

22 love it.

23 CS: Yeah. Yeah. It's great, a great situation.

24 IVESON: It is.

25 CS: So, we --

1 [BACKGROUND NOISE]

2 IVESON: So, go to ground, and then we'll go to the  
3 parking garage, and I'm parked on the  
4 seventh floor.

5 CS: Okay. Oh. Do we need to get out at the  
6 seventh floor?

7 [NON-TARGET CONVERSATION]

8 IVESON: I thought the two issues that you mentioned,  
9 the DEA and the SEC issue, to me, the DEA  
10 issue is not an issue.

11 CS: No.

12 IVESON: You know, I mean, I get -- Mike is doing his  
13 job to look out for Michael and make sure  
14 there is no liability there, but really it's  
15 --

16 CS: It's my complex situation, isn't it because  
17 of the way I understand it is he's on a  
18 (U/I) basis. And then you've got the --

19 IVESON: Same level as, well, federal level it's  
20 illegal.

21 CS: Yeah.

22 [BACKGROUND NOISE/NON-TARGET CONVERSATION]

23 IVESON: So, what did you think of the meeting?

24 CS: I thought it went very well.

25 IVESON: I'm really impressed with Michael.

1 CS: Yes.

2 IVESON: I think he's going to achieve so much  
3 success that you know --

4 CS: It was interesting to hear what he's got  
5 going on. Very interesting.

6 IVESON: Well, you know, what I'll do is I'll, you  
7 know, I think the right way to go about is  
8 you are now the trustee --

9 [BACKGROUND NOISE]

10 IVESON: Well, I'll talk to him, but it may be that  
11 because his father is the one that  
12 technically would be setting up the company  
13 --

14 CS: Yeah.

15 IVESON: I think it's to have his father, you know, I  
16 can basically do an engagement to get the  
17 LLC established.

18 CS: Yeah.

19 IVESON: But then I think --

20 CS: (U/I) is there one, two, three? I'm just  
21 checking for -- sorry to interrupt.

22 IVESON: No worries, no worries. But I think then  
23 what next makes sense is once that Belize,  
24 LLC is established, the sale transaction,  
25 that's really between you and the Belize,

1 LLC. And I think what makes the most sense

2 --

3 [END OF RECORDING]

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